

The Global Newspaper  
 Edited in Paris  
 Printed Simultaneously  
 in Paris, London, Zurich,  
 Hong Kong, Singapore,  
 The Hague and Manila

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 31,558

ZURICH, MONDAY, AUGUST 6, 1984

ESTABLISHED 1887



**FIRST STEP FOR LEWIS** — Carl Lewis of the United States taking a victory lap after winning the 100-meter dash at the Olympic Games in Los Angeles. His time in Saturday's race was 9.99 seconds. Lewis also hopes to win gold medals in the 200-meter dash, long jump and 400-meter relay. Full coverage of the games, Pages 14 and 15.

## Actor Richard Burton Is Dead of Stroke at 58

**LONDON** — Richard Burton, 58, whose acting career ranged from the classical theater to the Hollywood screen, died Sunday of cerebral hemorrhage in a hospital in Geneva.

Nancy Seltzer, Mr. Burton's publicist in New York, confirmed a report of his death carried by the British Broadcasting Corp. in London. She said she was not aware of his death.

Mr. Burton owned a home in the village of Coligny, near Geneva. London Broadcasting Corp. Radio said he was rushed to the hospital after feeling ill there.

Mr. Burton was also known for his long and stormy relationship with the actress Elizabeth Taylor, whom he married twice. His widow, Sally Hay, 36, a former BBC production assistant who became his fifth wife last year.

Most recently the actor had been working in a new film version being made in Britain of George Orwell's novel "Nineteen Eighty-Four."

The Welsh-born actor said last week that he was in "semi-retirement." But he was planning a busy work schedule. He was to go to Berlin soon to work in "The Bird of Paradise" and then to India to star in a new film version of Graham Greene's "The Quiet American."

Last month he played a small role as a rich U.S. congressman in the CBS television series "Ellis Island."

Mr. Burton was one of Britain's most famous Shakespearean stage actors. He appeared in more than 40 movies, ranging from classics such as "Who's Afraid of Virginia Woolf?" and "The Spy Who Came



Richard Burton

in From the Cold" to a string of forgotten failures.

Mr. Burton was born Nov. 10, 1925, in Porthcerry, South Wales, and educated at Oxford University. He was born Richard Jenkins and changed his name in his youth to that of a schoolmaster who helped bring him up.

Mr. Burton had two daughters, both by his first wife, Sybil Williams.

He married Miss Williams in 1949, and the marriage was dissolved after 14 years. He married Miss Taylor in 1964, parted from her in 1974, married her again the following year and was divorced from her in 1976. In 1976 he married Susan Hunt. They were divorced in 1982.

Sir John Gielgud, who last

## Oil Tanker Hit by Mine Is Sinking In Red Sea

**SUEZ, Egypt** — A Taiwanese oil tanker hit a mine in the southern Red Sea on Sunday and was reported sinking off the coast of North Yemen.

Shipping sources said the tanker Oceanic Energy, which is owned by the Energy Shipping Company of Taiwan, hit a mine south of Port Sudan and was sinking. Further details were not immediately available.

Lloyds of London said the 41,400-ton ship, which was sailing empty for Saudi Arabia, was the 10th vessel damaged by blasts in the Red Sea and the Gulf of Suez in two weeks.

A Lloyds spokesman said the Oceanic Energy, which is registered in Liberia, was sailing north through the Red Sea when it sent a radio message from south of Port Sudan saying, "Met mine, ship sinking, please..." The rest of the message was unintelligible, the spokesman said.

Three other merchant vessels — Turkish, Greek and East German — were slightly damaged Thursday when they were rocked by blasts in the Red Sea off Saudi Arabia and North Yemen.

The U.S. Defense Department has sent a 15-member navy team to Egypt to help determine the cause of the blasts. There have been no casualties from the explosions.

**Navy Teams on Alert**

Wayne Biddle of The New York Times reported from Washington: The U.S. Navy has started loading mine-sweeping helicopters aboard transport planes in Virginia as government officials weighed a decision to fly the craft to the Gulf of Suez.

State Department officials said the Reagan administration was awaiting a recommendation from U.S. Navy mine experts in the area.

A State Department official said that ships had been damaged either in the Gulf of Suez at the northern end of the Red Sea, or in the Bab el Mandeb to the south, where the Red Sea joins the Gulf of Aden.

The Bab el Mandeb and the Gulf of Suez lead to the Suez Canal.

The State Department official said the navy experts would submit a report on the situation "in several days."

Based on their advice and the desire of the Egyptian government, he said, the decision would be made on sending the equipment and personnel being readied at the Norfolk Naval Air Station.

Egyptian vessels have already begun mine-sweeping activities, according to the State Department.

A State Department official said the United States was starting "a major effort," including inquiries to countries in the region, to determine who planted the explosives.

**Mexico, Venezuela Sign Pact to Stop Oil Flow to 'Warlike' Latin Nations**

By Richard J. Meislin  
 New York Times Service

**MEXICO CITY** — Mexico and Venezuela have announced that they will suspend shipments of low-priced oil to Central American and Caribbean countries "that initiate warlike actions" against other countries in the region.

The two countries said Friday they were adopting the policy to provide an incentive for "the preservation of peace" in the region, as well as "to strengthen democratic and social development."

A spokesman for Mexico's Ministry of Foreign Relations said the condition would apply only to future actions. It would be up to Mexico and Venezuela, he said, to determine whether a country should be sanctioned.

The condition was a new feature in an annual renewal of the four-year San José pact. Under the agreement, Mexico and Venezuela provide generous credit terms to 10 Central American and Caribbean countries for the purchase of oil, essentially at subsidized prices.

The pact gave no indication of what countries it might sanction for "warlike actions." Nicaragua has accused Honduras of helping rebels seeking to topple its government, and El Salvador, Honduras and Costa Rica have accused Nicaragua of backing actions against them.

All four of these countries benefit from the San José accord, as do the Dominican Republic, Barbados, Belize, Guatemala, Jamaica and Panama.

Mexico and Venezuela asserted in the pact that the sanctions against aggressive actions were an effort to "take every effort necessary for the complete fulfillment of the Contadora group."

They did not specify how a decision to apply sanctions would be made, saying only that they would "suspend application of this program to participating countries that initiate warlike actions against other states of the area, in violation of the charter of the United Nations."

The new features in the pact came at a time when U.S. officials have been praising Mexico, to the

**U.S. Launches Nuclear Sub**

**GROTON, Connecticut** — The U.S. Navy launched its most powerful nuclear-powered attack submarine Saturday, the Providence. The navy says the Providence is quieter, faster and militarily more capable than other ships in the Los Angeles class.



Shimon Peres of Israel's Labor Party accepting the mandate to form a new government.

## Mexico, Venezuela Sign Pact to Stop Oil Flow to 'Warlike' Latin Nations

embarrassment of Mexican officials, for having moderated its support of leftist groups in Central America. The government here officially denies any substantive change in its foreign policy.

Another new provision in the pact requires "strict compliance with the conditions of payment." The new agreement would also give the most generous credit terms to countries who agree to use Mexican and Venezuelan goods and services in programs of economic and energy development.

The four countries of the Contadora group — Mexico, Venezuela, Colombia and Panama — have been trying for more than 18 months to negotiate an agreement among the Central American countries. A key element of the agreement commits them to refrain from directly or indirectly backing attacks on neighboring countries.

Mexican officials have portrayed their tighter attitude toward sup-

## Herzog Picks Peres to Form New Israeli Government

**JERUSALEM** — President Chaim Herzog named the leader of the Labor party, Shimon Peres, as prime minister-designate Sunday and asked him to form a government with the outgoing Likud bloc.

But the Likud incumbent, Yitzhak Shamir, continued his efforts to form a governing coalition.

Mr. Herzog sought to break the stalemate from Israel's July 23 elections by appealing for a government of national unity to deal with Israel's problems. These involved chiefly the economic crisis, reflected in a \$22-billion foreign debt and an annual inflation rate of 400 percent.

Mr. Herzog also said "our democracy is in danger" because of divisions between religious and secular Jews and among ethnic groups.

Mr. Peres appealed to Mr. Shamir to join a government led by Labor, and Mr. Shamir agreed to meet him Monday, a Shamir spokesman said.

"We are ready to continue the talks we have begun in order to establish a national unity government," Mr. Shamir said in a letter accepting Mr. Peres's invitation. "In our opinion we have to include all of the parties that want such a government."

Many analysts voiced doubt on whether the two major blocs could find common ground for working in the same government.

Eight hours of exploratory talks were held last week on the possibility of a bipartisan cabinet.

Until a new government is formed, Mr. Shamir will remain the head of a transition government. He continued to seek support from

## Polish Activist Freed, Cites Beating

**WARSAW** — Adam Michnik, one of the outlawed Solidarity union's most outspoken advisers, has been freed from prison, leaving 6 of the 11 best known opposition activists still in prison awaiting release under the amnesty program announced July 21.

Mr. Michnik, a historian, reportedly told correspondents Saturday that he wanted to rest and recover from a beating he said he received when he refused to surrender his prison notes just before being freed.

Reuters in Warsaw quoted Mr. Michnik as saying that he was carried out of his prison by security police. Reached by phone at his apartment in the Polish capital, Mr. Michnik said: "I didn't enter of my own accord. I was carried here. They were security people."

Mr. Michnik said he had been taken from prison by car and had been carried from the car to his apartment, Reuters added. In letters from prison, he had said he would have to be thrown out by force since he did not believe the government had any legal authority to hold or to detain him.

During his two and a half years in prison on charges of preparing to overthrow the system, Mr. Michnik, one of the leading members of the Workers' Defense Committee or KOR, a Solidarity support group, smuggled out nearly a dozen long letters in which he challenged the legality, authority and ideology of the Polish government.

The letters, which were widely reprinted, were one of the major means by which the Solidarity opposition sustained its debate with the authorities after the movement was suppressed in 1981 with the imposition of martial law.

He turned down several offers of freedom in exchange for promises either to leave the country or to refrain from political activity. And he kept insisting on a hearing in open court where, he said, he would prove his innocence. He and three other prominent KOR figures were, in fact, put on trial but their case was quickly recessed last month and then mooted by the amnesty.

Mr. Michnik is the first of the four leading KOR officials to be released. The others are Jacek Kuron, KOR's founder, Zbigniew Romaszewski and Henryk Wujec.

In addition to the KOR group, the same Warsaw prison has also housed seven prominent Solidarity members who were seized two and a half years ago. Of those, four have so far been released, the most recent being Seweryn Jaworski, a former Solidarity leader in the Warsaw region who was freed Friday.

Meanwhile, Lech Walesa, a founding member of Solidarity, met in Gdansk on the Baltic with Cardinal Józef Glemp, the primate of Poland. Mr. Walesa would probably be freed Friday.

### INSIDE

■ Pinochet opponents in Chile are hampered by divisions, a year after their most notable triumphs. Page 5.

■ Ronald Reagan pledged to fight any attempt to raise individual income taxes. Page 2.

■ Iran has a plan for succession to Ayatollah Ruhollah Khomeini, according to Iran's exiled former president. Page 2.

**BUSINESS/FINANCE**

■ Oil-producing nations continue to pump too much oil onto the market, the International Energy Agency says. Page 17.

**A SPECIAL REPORT**

■ Nigerians adjust to economic and political reforms under the Buhari government. Page 7.

**TOMORROW**

Profound changes are shaking the ruling African community in South Africa. A four-part series by Glenn Frankel.

## In 10 Years, Nixon the Pariah Has Become Nixon the Statesman

**By John Herbers**  
 New York Times Service

**WASHINGTON** — When Richard M. Nixon resigned as president Aug. 9, 1974, he left the White House physically ill, emotionally ailed, publicly reviled and facing a probability of both criminal prosecution in the Watergate scandal and personal bankruptcy.

A decade later, he has emerged as an elder statesman, a commentator on foreign and domestic affairs, a lecturer to world leaders, a multimillionaire and a successful author and lecturer honored by audiences at home and abroad.

Yet, despite his remarkable recovery, much of it a result of his determination to survive as a respected public figure, friends and associates agree that his rehabilitation has not been complete and that substantial barriers remain to ever again holding high office, his elective or appointive.

For example, his recent decision to attend the Republican National Convention in Dallas later a month was welcomed by most party leaders.

Mr. Nixon's inability to shed completely the Watergate stigma after 10 years is one indication of lasting impact of the scandal on his administration, according to a range of academic and political authorities. Watergate's broadest sense made a major mark on U.S. politics and government.

The former president declined to be interviewed for the 10th anniversary of his resignation. However,

interviews with his friends, associates and others and a reading of the voluminous Nixon literature that has been published since 1974 provide a portrait of Mr. Nixon and the impact of his presidency a decade after his tearful departure from the White House.

Mr. Nixon, who had served two terms as vice president and was elected to a second term as president by a landslide margin in 1972, resigned with two and a half years remaining in his term rather than face impeachment, which was imminent.

He stood accused by the House

Judiciary Committee of crimes that included attempting to cover up the burglary of the Democratic National Committee's headquarters at the Watergate apartment complex in Washington on June 17, 1972, by men employed by Mr. Nixon's Committee to Re-Elect the President.

Tape recordings released to Congress and prosecutors by Supreme Court order, involving conversations between Mr. Nixon and his aides, showed that he had ordered money payments to those accused in the burglary to keep them from implicating the White House and



Richard M. Nixon: Remarkable fall, remarkable recovery.

## Still Waiting for the 'Real Nixon' to Go Public

**By Bob Woodward**  
 Washington Post Service

**WASHINGTON** — Ten years after Richard M. Nixon's resignation from the presidency, 36 years after the Alger Hiss case made Mr. Nixon a national figure, the man remains a human mystery.

We know a great deal about him but we do not know him. He is one of the most unusual, and most compelling, public figures ever to walk the American political stage.

Mr. Nixon so often seemed uncomfortable. He appeared to hide his feelings, to substitute for his real self a public personality that suited his political ambitions.

Throughout his career he seemed to thrive in awkward or inexplicable relationships — Nixon and Eisenhower, Nixon and Spiro T. Agnew, Nixon and Henry A. Kissinger, Nixon and H.R. Haldeman and John D. Ehrlichman. His close friendship with Charles G. (Bebe) Rebozo, was perhaps the strangest of all, even to Mr. Nixon's most devoted White House aides.

Will we ever get beyond our current understanding of Mr. Nixon? Will the mystery ever be resolved? It just might be. There is one untapped source that might clear it up. The source has not revealed much yet but it could reveal a lot. For example, just before his sweeping re-election victory in 1972, Mr. Nixon made this tantalizing confession to the source:

"I had a curious dream of speaking at some sort of a rally and being a bit too long and Rockefeller standing up in the middle and taking over the microphone on an applause line. Of course, this is always something that worries a person when he is making speeches, as to whether he is going too long. It is a subconscious reaction. It is interesting."

It certainly is interesting. Here was Mr. Nixon in the fourth year of what had been a remarkable presidency somehow haunted by Nelson A. Rockefeller, the wealthy liberal Republican, elite New Yorker who got things by birth, not just hard work.

To whom did Mr. Nixon disclose this intimacy? With fitting irony, it was to a tape recorder, more precisely his dictating machine. For 20 months, on and off, during his presidency, as he said in "RN," his

Nineteen officials and campaign workers in the administration, including the president's two top aides, served jail terms for the various crimes involved.

Public reaction to the resignation was immediate and drastic. Republicans on federal, state and local levels were swept from office.

Mr. Nixon's successor in the White House, Gerald R. Ford, was defeated by Jimmy Carter in the 1976 presidential race by a margin smaller than the 7 percent of voters who told pollsters they did not vote for Mr. Ford because he pardoned

memories. "I kept an almost daily dictated diary."

He not only kept the diary, he quoted from it extensively in his memoirs, more than 140 times in a 1,090-page book.

The diary entries did not attract much attention from the reviewers when Mr. Nixon's memoirs were published in 1978. They generally focused on whether he was making too much money from the book or eating sufficient crow about Watergate. And the diary entries Mr. Nixon used are rarely as revealing as the one quoted above.

Many are routine and, typically for Mr. Nixon, aimed at creating a record that put him in the best possible light. But there is just enough in the book, like the Rockefeller

associates say, entirely separately from his efforts to overcome the Watergate stigma.

His long roller-coaster career of victory, crisis, defeat, revival, triumph, ruin and, finally, resurrection as an elder statesman continues to whet public curiosity about him. According to associates, he has recently been comparing himself to Herbert Hoover, the president.



## Reagan Pledges to Fight Any Attempt to Increase Personal Income Taxes

By Lou Cannon  
Washington Post Service

SANTA BARBARA, California — President Ronald Reagan pledged in a weekend address that, if re-elected, he would oppose any increase in individual income taxes and would veto any bill raising individual income tax rates.

Mr. Reagan, who in recent weeks has carefully qualified his remarks about tax increases, said nothing about other kinds of new taxes that might be passed by Congress to help reduce federal budget deficits.

Seeking to take the initiative on the subject of higher taxes, Mr. Reagan charged Saturday that his Democratic challenger, Walter F. Mondale, would have to raise taxes by \$135 billion "to square with his promises."

"That averages \$1,500 in increased taxes for every American household, and one way or another that means you," Mr. Reagan said.

The president, who was vacationing at his ranch near here, charged on his weekly paid radio address that Mr. Mondale would need a huge tax increase to carry out a promise to cut federal deficits by two-thirds by 1989.

Mr. Mondale, at his home in North Oaks, Minnesota, called Mr. Reagan's calculations "hocus-pocus numbers" and renewed his challenge to the president to hold a series of debates this fall.

"If we were to debate what he said today on national television, I'd cream him because he's dead wrong," Mr. Mondale said. "He prefers these long-distance charges rather than a face-to-face debate."

Mr. Mondale said he soon will release details of how he would cut the budget deficit and raise taxes.

He also noted that Mr. Reagan had issued a qualified pledge against higher taxes. "Today he said he would not raise personal income taxes," Mr. Mondale said.

"But he was very careful not to rule out tax increases that would protect his rich friends."

When he accepted the Democratic presidential nomination on

July 19, Mr. Mondale said that whoever was elected president would have to raise taxes. He charged that Mr. Reagan was keeping his own tax plans secret.

Mr. Reagan later said he had "no plan" to raise taxes in 1985, but he stopped short of pledging not to increase them. And last week he said he would increase taxes only as "a last resort."

The vagueness of these promises has raised concern among some of Mr. Reagan's conservative advisers, who have urged him to rule out a tax increase unequivocally.

On Saturday he responded, saying, "I will propose no increase in personal income taxes, and I will veto any tax bill that would raise personal tax rates for working Americans or that would fail to make our tax system simpler and more fair."

The chief White House spokesman, Larry Speakes, said Mr. Reagan was "ruling out an income tax increase for the foreseeable future."

But Mr. Reagan did not rule out corporate tax increases or other forms of tax hikes.

Some of Mr. Reagan's advisers have acknowledged privately that some form of tax increase probably will be necessary in 1985, despite the president's opposition.

Senator Robert J. Dole of Kansas, the Finance Committee chairman and an influential Republican spokesman on tax matters, has indicated that a combination of spending cuts and tax increases may be needed to keep deficits manageable.

In his address Saturday, Mr. Reagan said Mr. Mondale had indicated plans to raise taxes "by at least \$60 billion."

The president disputed whether this would carry out Mr. Mondale's pledge to cut the deficit by two-thirds.

Mr. Mondale, in his response, challenged Mr. Reagan to have the Treasury Department release a study of taxation that the president had indicated would serve as a guideline on any tax reform.



Workers cleared rubble from Madras airport where a bomb killed 32 persons.

## Sri Lankan Proposes Joint Blast Inquiry

By David B. Ottaway  
Washington Post Service

COLOMBO, Sri Lanka — Prime Minister Ranasinghe Premadasa has proposed that India and Sri Lanka investigate together the bomb explosion at Madras international airport that killed 32 persons and injured 13, state radio said Sunday.

Sri Lankan Defense Ministry officials said they believed the blast Thursday was part of a plan by Sri Lankan separatists to send explosives to Colombo and blow up two Air Lanka jets here.

The Sri Lankan government said Sunday that about 24 Sri Lankans were among the dead.

The radio quoted Mr. Premadasa as saying that the explosion proved his allegations that India and Sri Lanka were operating from the south Indian state of Tamil Nadu. India has repeatedly denied this charge.

Two major separatist Tamil organizations based in Madras denied responsibility for the blast and said that it was part of a plot to defame them.

The Liberation Tigers of Tamil Eelam said it was outraged and shocked at the blast.

"The sophisticated nature of the whole operation clearly indicates that it is the diabolical work of the Sri Lankan government," it said in a statement.

Meanwhile, in Madras, police said Sunday that they were searching for a passenger who was booked on an Air Lanka flight from Madras to Colombo but failed to turn up for emigration checks.

The bomb went off when customs officials were removing two unclaimed suitcases after a series of telephoned warnings. The airport was not evacuated.

## Economic Potential, Stalemated War Give New Strength to Hussein of Iraq

By David B. Ottaway  
Washington Post Service

BAGHDAD — President Saddam Hussein has emerged from a number of economic and political crises over the past year stronger than at any time since the war with Iran began nearly four years ago.

Despite increasing war debts to the Arab Gulf states and Western nations, Mr. Hussein has managed to gain refinancing and billions of dollars in new credit.

Despite the Iranian seizure of Iraqi lands in several border areas in 1983, he has blocked three Iranian offensives and succeeded in



Saddam Hussein

building up Iraq's military power through the acquisition of Soviet and French weapons.

Western, Arab and Asian diplomats based here are remarking on a new mood among Iraqi leaders.

"There has been a noticeable increase in confidence and morale since I came here a year ago," an Asian diplomat said.

A Western diplomat, referring to Iraq and Iran, said: "They are settling into a new military equilibrium that is in Iraq's favor and there is no easy way for Iran to upset the new equilibrium."

Mr. Hussein has won the backing of both the Soviet Union and the United States, obtained far greater Arab support for his cause and, above all, changed the image of Iraq as the aggressor into one of Iraq as the aggrieved.

This last shift has resulted largely from Iraq's hostile attitude toward peace efforts.

At home, Mr. Hussein has kept the loyalty of the majority Shiite population, divided and weakened the Kurdish opposition and apparently rallied his people around the cause of defending the nation against Iranian forces.

"Saddam has profited from the war to make himself stronger now," said another Western analyst. "It has allowed him to suppress the opposition and treat his enemies as traitors to the country."

Even the Iranian-backed Shiite opposition group, al-Dawa, has failed to make much of an impact with its guerrilla tactics, although it remains a threat and has forced the government to take extensive security precautions in Baghdad.

Mr. Hussein seems to be so confident that some Western diplomats are beginning to wonder whether he might make another miscalculation, as he did in invading Iran at the start of the war, out of an exaggerated sense of Iraq's relative strength and Iran's internal weaknesses.

"Iraq is stable, full of hope and confident of its future," Mr. Hussein said in a speech July 16 marking the 16th anniversary of the

Ba'ath Party's rise to power. "The steadfastness of our armed forces is getting harder and there is a deep belief that they are carrying out a correct political decision — the defense of the homeland."

In retrospect, it appears that part of Mr. Hussein's success in gaining and maintaining public support was his decision to spend billions of dollars on economic development at the beginning of the war.

The boom came even as Iraq's oil exports were cut by three-quarters after Iran destroyed Iraqi oil terminals in the Gulf and refused to permit tankers to load at Iraqi ports.

Iraq's investment budget rose to \$26 billion in 1982 from \$17.7 billion in 1980, while its oil income dropped to \$10 billion from \$26 billion, creating huge deficits.

These were covered by \$35 billion in reserves, \$30 billion in loans from the Arab Gulf states, \$30,000 barrels a day of oil borrowed from Saudi Arabia and Kuwait, and \$5 billion to \$10 billion in credits from Western governments and companies doing business here.

The investment allows Mr. Hussein to brag that he is "the builder of modern Iraq" and to provide Iraqis with new hotels, public buildings and monuments, highways, public housing, industries and agricultural projects.

In the past six months, Mr. Hussein has secured \$2 billion in credit from the Soviet Union for new economic projects and \$485 million from the U.S. Export-Import Bank to build an oil pipeline through Jordan to the Gulf of Aqaba.

He has also arranged deferred payments for refinancing of \$5 billion to \$10 billion Iraq owes to Western, Indian and Japanese companies for earlier projects.

Much of his success has been attributed to his ability to convince Western governments and companies that Iraq remains, despite the war, an excellent investment risk because of its oil reserves.

## Burton, 58, Dies of Stroke

(Continued from Page 1)

worked with Mr. Burton two years ago on the film "Wagner," said of him, "He was serious, charming, with tremendous skill. I feel nothing but sadness."

Laurence Olivier, who was due to start shooting "Wild Geese Two" with Mr. Burton shortly, said from his home in Sussex, "Richard was a very fine actor, and his early death is a great tragedy to the theater world, the film world and the public."

In the film Lord Olivier was to play the Nazi prisoner Rudolf Hess and Mr. Burton a fictional character involved in the rescue of Mr. Hess from Spandau Prison in Berlin.

## U.S. Embassy's Truck Hit by Bomb in Jordan

By David B. Ottaway  
Washington Post Service

AMMAN, Jordan — A bomb went off under a U.S. Embassy water truck outside the embassy's warehouse in a suburb of Amman on Friday.

Embassy sources said two people in a passing taxi were slightly hurt by flying glass. But an Interior Ministry statement carried by the official news agency, Petra, said there were no casualties in the blast, caused by one kilogram (2.2 pounds) of TNT. No one has claimed responsibility for the blast.

## Iran Plans Succession, Ex-Aide Says

By Michael Dobbs  
Washington Post Service

PARIS — Former President Abolhasan Bani-Sadr of Iran, who lives in exile in France, says that a plan for the transition to a post-Khomeini era in Iran was started last month when the Iranian leader appeared to be on the verge of death.

Mr. Bani-Sadr, who was forced to flee Iran in 1981, said in an interview Friday that the scenario involved moves toward negotiating a peace settlement in Iran's war with Iraq, a diplomatic overture toward the West and firm action against dissidents inside the country.

"The post-Khomeini era has already begun," he said, adding: "If Khomeini dies now, only the moderates have a chance of taking over and this is what frightens the hard-liners."

Mr. Bani-Sadr said he had reports from inside the country that Ayatollah Ruhollah Khomeini, 84, became seriously ill in the middle of July and was sent to an intensive care unit. It was then, he said, that the plan for the succession was developed by other leading figures in the regime.

On July 28, Hashemi Rafsanjani, the speaker of the Majlis, or parliament, said Iran was seeking to end the Iraqi war through diplomatic means.

Mr. Bani-Sadr said Iran has toned down its conditions for ending the war. A peace proposal made via Saudi Arabia dropped a demand for full reparation of war losses by the Baghdad regime and insisted only on the resignation of the Iraqi leader, Saddam Hussein, he said.

Mr. Bani-Sadr said a group of religious leaders advocating adoption of relatively moderate policies appeared to be winning a power struggle against a hard-core revolutionary faction.

He described last week's hijacking of an Air France plane to Tehran and a similar incident recently in which Spanish police thwarted a plot by Iranians to hijack or shoot down a Saudi Arabian airliner as attempts by the revolutionary faction to sabotage the new policy.

Because of the restrictions Iran has placed on independent reporting from the country, it is virtually impossible to check much of the information provided by Mr. Bani-Sadr.

The former president, one of several Iranian politicians living in exile in the West, has an interest in showing the world that his supporters still occupy sensitive positions inside the country and that his moderate line will emerge after the death of Ayatollah Khomeini.

But at least part of his analysis of developments inside Iran has been supported by independent experts. Signs of an Iranian desire to improve ties with the West were reported by Foreign Minister Hans-Dietrich Genscher of West Germany after a two-day visit to Tehran last month.

Points made by Mr. Bani-Sadr during the interview at his well-guarded apartment in a Paris suburb included the following:

• Ayatollah Khomeini's illness precipitated an emergency meeting of the Council of Experts, a body of about 60 leaders charged with assuring a smooth succession. On July 18, doctors revised their initial bleak assessment of his condition.

• On July 20, Mr. Rafsanjani said at a prayer meeting in Tehran that if anything happened to Ayatollah Khomeini, he would turn to Ayatollah Hussein Ali Motahari for guidance. Mr. Bani-Sadr said this indicated that Ayatollah Motahari had been accepted as a transitional spiritual leader when Ayatollah Khomeini dies.

• In mid-July, coinciding with Ayatollah Khomeini's illness, the authorities took a number of steps against domestic dissent. These included the execution of 150 prisoners, stepping up of the war against Kurdish guerrillas, staged television appearances by allegedly repentant criminals and a public campaign to enforce Islamic codes of dress and morality.

• A communiqué circulating in Tehran in early July reported a telegram to Ayatollah Khomeini from a military leader, General Nasser Rahimi, calling for a shake-up in the army and the replacement of incompetent generals.

Mr. Bani-Sadr said his information indicated that Mr. Rafsanjani and President Ali Khomeini had agreed to set aside their differences.

"The scenario for the succession to Khomeini is now clear," he said. "Internally, the leaders will agree on a replacement for Khomeini as spiritual leader, arrange at least a temporary armistice between themselves, and step up repression in order to prevent the opposition from appearing. Everything that happened last month can be explained by panic that Khomeini was about to die."

Mr. Bani-Sadr was elected president of Iran in January 1980 but was removed by Ayatollah Khomeini in June 1981.

Mr. Bani-Sadr said opposition to the new line appeared to come largely from second-level figures in revolutionary organizations.

"The hard-liners do not see a future for themselves, which is why they are resorting to acts of sabotage," he said. "During my time it was the same. The leadership was agreed on a moderate course of action and the opposition came from the middle layers of the revolution. On that occasion, Khomeini sided with the radicals."

## WORLD BRIEFS

### 49 Die in Plane Crash in Bangladesh

DHAKA, Bangladesh (Combined Dispatches) — All 45 passengers and four crew members aboard an airliner were killed Sunday when their plane crashed in a marsh near Dhaka airport, officials of the Bangladesh national airline said.

The plane was coming from the port city of Chittagong. The craft, a Fokker F-27 of Biman, the national airline, crashed about 500 yards (450 meters) from the runway. The officials said it was raining heavily when the crash occurred.

### Soviet Cargo Plane Falls in Pakistan

KARACHI (Reuters) — Nine bodies have been recovered from the wreckage of a Soviet An-12 cargo plane that crashed Saturday in southern Pakistan on its way to Tashkent in Soviet Central Asia, police said Sunday.

The authorities said they had cordoned off the crash site at Nawabshah, 130 miles (210 kilometers) northeast of Karachi, and were searching the wreckage. The plane, which took off from South Yama, landed in Karachi for emergency repairs and resumed its flight after refueling. It crashed less than an hour later.

The Soviet consulate in Karachi declined to give details about the plane, its crew or cargo, and the office of the Soviet airline Aeroflot said it had no exact information on the flight.

### IOC Retracts Charge on Olympic TV

LOS ANGELES (Reuters) — The president of the International Olympic Committee, Juan Antonio Samaranch, has retracted his complaint that the ABC television network has tended to favor American athletes in its coverage of the Olympic Games.

The IOC issued a statement late Friday, after Mr. Samaranch and Monique Berlioux, the IOC director, met with Boone Arledge, president of ABC News and Sports. During the meeting, the statement said, "The IOC expressed its satisfaction with ABC's television production of the Games and felt that international broadcasters have received appropriate coverage."

The statement distinguished between the network's international feed, which it described as "neutral coverage" and its programming for U.S. viewers. The statement was issued after Mr. Samaranch, apparently on the basis of what ABC was broadcasting in the United States, complained that the broadcasts of the Games favored U.S. athletes over foreigners.

### Shell Denies Pretoria Gave It Bonuses

LONDON (Reuters) — Shell International Petroleum Co. denied a report in a British newspaper Sunday that it had received secret bonus payments for supplying oil to South Africa.

The company issued the denial in response to a report in The Observer that suggested Shell had received almost \$200 million from South Africa to supply it oil in defiance of international boycotts. Shell denied that it had received any "secret incentives" for supplying oil to South Africa, a spokeswoman said. "Moreover, it reiterates that it has always observed producing countries' destination restrictions regarding crude oil."

The Observer based its report on an official South African report that the government offered a premium of \$8 a barrel of crude from its strategic fuel fund after the fall of the Shah of Iran, its main supplier, in 1979.

### Iran Claims Attacks on Invading Iraqis

NICOSIA (AP) — The Iranian air force attacked Iraqi forces inside Iranian territory Sunday, after destroying military targets in Iraq, an Iranian military communiqué claimed Sunday.

The communiqué, reported by IRNA, the official Iranian news agency, said the air force had already destroyed a large number of enemy tanks in the Khuzistan and Gilan-e-Gharb regions of Iran.

### Iraq, Turkey Discuss New Pipeline

ANKARA (AP) — Taha Yasin Ramadan, Iraq's first deputy prime minister, started three days of talks here Sunday on plans for a new Turkish-Iraqi pipeline and other projects of economic cooperation.

Sources said the Iraq-Iraq war and the safety of Turkish tankers sailing to the Gulf war zone to load Iranian crude oil from Kijang Island are also likely to come up in discussions.

Turkey and Iraq have a 1,000 kilometer (620-mile) pipeline with an annual capacity of 35 million tons. Expansion of the line, currently Iraq's only outlet for oil exports, to 49 million tons is nearly complete, officials said. A second pipeline, which is to run parallel to the first one and to share the same terminal on the Mediterranean, is planned.

### Lutherans Urge U.S.-Soviet Talks

BUDAPEST (AP) — The Lutheran World Federation has urged the Soviet Union and the United States to resume talks on limiting medium-range nuclear missiles and called for an end to "aggression" against Nicaragua and El Salvador.

The statements were made in two political resolutions adopted Friday by the 315 main delegates from 99 member churches around the world. In the last working session of the two-week assembly, delegates urged "governments and political leaders everywhere to halt the research, test and production of nuclear and conventional weapons."

Another resolution requested churches "to cooperate in the efforts to rebuild Nicaragua and El Salvador" and urged them "to cooperate in every possible way to establish human rights in Central America."

### Marcos May Lift State of Emergency

MANILA (UPI) — President Ferdinand E. Marcos has indicated that he may lift a state of emergency that remained in force in the southern Philippines after he canceled martial law three years ago.

He told a lawyers' convention Friday that a decision to end the state of emergency in eight provinces in the Mindanao-Sulu region, 500 miles (800 kilometers) south of Manila, would depend on an assessment of security in the region.

Under the state of emergency, the army may hold suspected subversives indefinitely. Mr. Marcos's government maintained the state of emergency when it ended eight years of martial law in 1981 because of a Muslim separatist guerrilla movement in the south.

### Suspects in Israeli Bombings Freed

JERUSALEM (UPI) — Two Israeli Army officers being held for trial in the 1980 car bombings that killed two Palestinian West Bank mayors were released Friday.

Their release was ordered by the Supreme Court, which rejected an appeal by the state attorney to keep them in prison pending the trial. Major Shalom Leviathan and Captain Aharon Gilo, both of whom served in the Israeli administration of the occupied West Bank, posted \$30,000 bail.

The men are charged with conspiracy in the 1980 car bombings that killed Mayor Bassem Shuka of Nablus and Mayor Karim Khalaf of Ramallah. The trial was postponed until the end of the year. The Israelis were detained in April when police discovered a plot to bomb five Arab-owned buses in East Jerusalem.

### For the Record

President John Baptista Figueiredo, 66, was hospitalized Saturday for at least three days for treatment of severe back pains, the official EBN news agency reported.

President Ronald Reagan appointed Robert A. Rowland, a tax lawyer who was co-chairman of his presidential campaign in Texas in 1980, to head the Occupational Safety and Health Administration. (LAT)

Greece and the United States have signed a memorandum on wages and working conditions for 1,800 Greek workers at the four U.S. military bases in Greece. (AP)

The three men who hijacked an Air France jetliner from Frankfurt to Tehran last week have asked for political asylum in Iran, Iranian officials said Saturday. The three surrendered to the Iranian authorities after releasing 60 hostages and blowing up the plane's cockpit. (UPI)

Italy's Senate has approved a church-state concordat that will end Catholicism's status as the state religion. The concordat, signed by the government and the Vatican in February, will go to the Chamber of Deputies for final ratification in September. (Reuters)

Peres Asked to Form Cabinet

(Continued from Page 1)

staged a protest Saturday in Um al-Fahm, an Arab town northeast of Tel Aviv, against Meir Kahane, a U.S.-born rabbi who advocated the expulsion of all Arabs from Israel in his successful campaign for the Knesset. The Associated Press reported from Um al-Fahm.

Mr. Kahane has said he would start his anti-Arab program in Um al-Fahm after being sworn in as a member of the Knesset on Aug. 13. Um al-Fahm has a population of 26,000.

Protest Against Kahane

About 5,000 Jews and Arabs

## Mondale Calls Handling Of Lance 'Misjudgment'

By Milton Coleman  
Washington Post Service

WASHINGTON — Walter F. Mondale has accepted full responsibility for the selection of Bert Lance as general chairman of his presidential campaign, a decision that drew criticism for nearly three weeks until Mr. Lance resigned the post.

"I take this responsibility on my own," Mr. Mondale said at a news conference Saturday at his home in North Oaks, Minnesota.

In his first public statement since Mr. Lance stepped down on Thursday, Mr. Mondale said that the way he dealt with Mr. Lance was "obviously a misjudgment."

"I deeply regret any harm I may have visited on Bert Lance, whom I like," he said.

The appointment revived questions about Mr. Lance's financial dealings, including unproven charges that led to his resignation in 1977 as director of the Office of Management and Budget under President Jimmy Carter.

Mr. Mondale, echoing Mr. Lance's assertion that the dispute had made Mr. Lance a "source of diversion" rather than a "resource for development" of the campaign, said that questions about Mr. Lance had become so common that he could no longer focus on the campaign.

"He's practical. I'm practical," Mr. Mondale said. "I think he made a wise judgment. I accepted it."

But he said Mr. Lance would continue to advise him, as he has throughout the past year and a half of Mr. Mondale's candidacy. "He's a friend of mine; I want his advice, and I don't mind that at all," Mr. Mondale said.

■ Questions of Management

Jack Nelson of the Los Angeles Times reported from Washington: The Lance affair may not prove serious or long-lasting for Mr. Mondale, but it has raised questions among Democratic Party veterans and even members of Mr. Mondale's own staff about the candidate's operating style and the management of his presidential campaign.

Some see the episode as evidence that the former vice president's campaign is too tightly structured and that he is effectively cut off from political advice outside his inner circle — developments that they say could ultimately damage Mr. Mondale's campaign against President Ronald Reagan.

"The really important thing about all this is that it shows the inner circle tightening up when they ought to be reaching out," a key supporter said Friday. "Mondale has become isolated."

Representative Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee, said Friday that he intends to take up with top Mondale

campaign officials a problem he has raised with them before: Mr. Mondale's failure to seek advice outside his inner circle of James A. Johnson, Michael Berman, John Reilly, Maxine Isaacs and Robert G. Becker.

Some Mondale associates are not hopeful that he will change his way of operating, however.

"His inclination all his political life has been to have an organization that is highly centralized and narrow at the top," said a former Mondale staff member. "He's comfortable with it that way. It helped him win the nomination and it's hard to argue with success, but it's too narrow at the top and too highly centralized for a general election."

"He needs to incorporate some diverse points of views, but I'm not sure he will," said the former staff member.

In recent days, Mr. Mondale did bring a black, Representative Charles B. Rangel of New York, and a woman, Representative Barbara A. Mikulski of Maryland, into his campaign as national co-chairmen. But it is not clear how much authority and access to the decision-making process they will have.

Two high-ranking Democrats who are Mondale supporters dismissed the appointments as "window dressing" and "the obligatory outreach" to women and minorities. "In terms of the real decision-making process, there's been no change," said one.

Many of Mr. Mondale's supporters were stunned on July 14, two days before the Democratic National Convention opened in San Francisco, when word leaked out that he was moving to replace Charles T. Manatt as Democratic National Committee chairman and chairman of the Georgia Democratic Party.

But protest from surprised Democrats, including some Southerners, prompted a reversal of that decision. Mr. Lance instead was named general chairman of the campaign.

The criticism continued, and with his campaign role still undefined, Mr. Lance returned to Georgia in a sort of political limbo.

And it was in Georgia that he remained, virtually ignored by the Mondale campaign even as the candidate toured the South.

Thus, after two precipitous decisions he ultimately had to reverse, Mr. Mondale let the Mr. Lance matter drag on for two weeks — reviving his old image as a politician who is cautious, indecisive and reluctant to make tough decisions.

Indeed, some Democratic leaders noted this week, it was only after a dejected Mr. Lance finally passed the word to associates that he was seriously considering



# Under Mondale, Democrats' Foreign Policy Line Shifts to One of Restraint, Experts Say

By Hedrick Smith  
New York Times Service

WASHINGTON — The foreign policy line at emerged from the Democratic National convention in San Francisco is a distinct shift from the policies of such presidents as Harry S. Truman, John F. Kennedy and Lyndon B. Johnson, according to foreign affairs specialists.

In interviews, former officials from Democratic and Republican administrations singled out Walter F. Mondale's ardent advocacy of a globalized, verifiable freeze on the production, testing and deployment of nuclear arms as the most significant departure from past election platforms.

Other specialists cite a Democratic platform plank pushed through by Senator Gary Hart of Colorado and some of Mr. Mondale's comments about Central America as signals of a less assertive U.S. role in the world than in the Truman, Kennedy and Johnson administrations.

Under these Democratic presidents, the United States took on the defense of Korea, Laos, Turkey and Vietnam, and President John F. Kennedy declared protection for the Gulf.

The Hart amendment, eventually accepted by Mondale, called for the United States to "oppose the general reluctance to involve U.S. forces in Third World trouble spots such as Cuba."

In a similar vein, Mr. Mondale pledged "to stop the illegal war in Nicaragua" in his first 100 days in office and to work "for the removal of all foreign forces" from Central America.

The Democratic presidential nominee has sought to cast himself as more dedicated to arms control than President Ronald Reagan and less likely than Mr. Reagan to involve the United States in a foreign war, Mondale aides say.

But against the sweep of postwar history, the new officials say, the Mondale approach il-

lustrates how much the attitudes of mainstream Democrats have changed, particularly since the Vietnam War, and even how the two political parties have switched roles since the Truman presidency.

"There's been a big change in the approach of both parties," said Charles William Maynes, a Carter administration official who is now editor of Foreign Policy magazine. "If you go back to the platforms of the 1950s, there's been a radical change."

## NEWS ANALYSIS

After World War II the Democrats were promoting a larger U.S. role in the world. Republican conservatives led by Senator Robert A. Taft of Ohio opposed President Truman's moves to station U.S. troops in Western Europe, and Dwight D. Eisenhower campaigned in 1952 with a pledge to end the war in Korea. Now, Democrats accuse the Republican White House of overzealous interventionism abroad and promise peace negotiations.

The Democratic stance this year, the specialists suggest, is particularly striking in contrast to John F. Kennedy's. In the 1960 campaign, he charged the Republican administration with allowing U.S. defenses to suffer "a missile gap" with the Soviet Union and pressed for a military buildup. And in 1961 he approved an invasion of Cuba by exiled forces armed by the Central Intelligence Agency.

"There's no clear thread that links the Kennedy campaign of 1960 with the Mondale campaign of 1984," said William Hyland, editor of Foreign Affairs magazine, who was a policy adviser in the Nixon and Ford administrations. "With Kennedy talking about 'our bearing any burden and paying any price' for defense, that was a different era."

"As a nation we crossed the watershed in the 1970s," Mr. Hyland added.

"For the Democrats, it came with the nomination of George McGovern," he said, referring to George McGovern's nomination in 1972.

"For the country as a whole, it came in 1975 when we came out of Saigon in humiliation," he said. "We also discovered that détente wasn't going to save us with the Russians. Since then both parties have had difficulty dealing with the post-Vietnam world and the world of nuclear plenty."

Zbigniew Brzezinski, who was national security adviser to President Carter, suggested the positions taken at the Democratic convention in July were to the left of those taken by Mr. Carter in his final two years in office.

In that period, Mr. Carter imposed a grain embargo against the Soviet Union and sought financing for the MX missile, two positions Mr. Mondale has said he privately opposed.

"We never had a major party before advocating a hoax as foreign policy," Mr. Brzezinski asserted. "I think the nuclear freeze is a hoax. It's not achievable. It's not verifiable."

"Yet we're committed to it because of an activist wing of the party," he added. "It degrades the quality of our foreign policy discourse and diminishes our standing internationally."

Some Mondale advisers contend that the party platform and Mr. Mondale personally were driven toward more liberal positions by the early withdrawal of conservatives such as Senator John Glenn of Ohio and former Governor Reubin Askew of Florida from the presidential race. The remaining competitors at the end of the campaign, the Reverend Jesse L. Jackson and Mr. Hart, were both advocates of restraints on U.S. use of force.

"In the primaries and at the convention, the

opposition of Mr. Mondale and his running mate, Representative Geraldine A. Ferraro of New York, to developing the MX missile, the B-1 bomber, nerve gas and anti-satellite weapons.

This year, Mr. Brzezinski suggested, the clash between Republicans and Democrats over foreign policy issues is pulling "the center of gravity in both parties toward extremes, in the Democratic Party toward naive escapism and in the Republican Party toward militant interventionism."

Other former officials say the most important new influence on foreign policy is the grassroots political strength of the nuclear freeze movement.

"You see the impact of the freeze movement on both parties, with Mondale's advocacy of the freeze and the administration working to make sure it does not look anti-arms control," said Mr. Maynes of Foreign Policy.

Conservative Democrats such as Mr. Brzezinski and House Speaker James A. Wright, administration official, now author of a political newsletter, suggested the tone at the Democratic convention was leading the party toward a politically risky foreign policy line.

In Mr. Busby's words, "It does not appeal to the concern of the bulk of the country about strength against the Russians."

Nonetheless, Mondale strategists believe their approach will exploit a major vulnerability of Mr. Reagan and appeal to the public mood. They reckon that Democrats can score strongly this year on the broad issue of war and peace, and especially on nuclear arms control.

Private opinion surveys supplied to the Mondale camp have indicated that voters' greatest worry about a second Reagan term is the fear that somehow the Republican White House will unleash the country in armed conflict.

In recent weeks Mr. Reagan has eased his

public conditions for a summit meeting with the Soviet leader, Konstantin U. Chernenko, and agreed in principle to enter into talks this fall with the Russians on limiting anti-satellite weapons.

But Peter D. Hart, the Mondale poll taker, said he had detected no significant change in public uneasiness about Mr. Reagan's foreign policies.

"Reagan's foreign policy stuff frightens people," said Robert S. Strauss, a former Democratic Party chairman. "I think Reagan's vulnerability politically in the world being less safe than three years ago."

Repeatedly, Mr. Mondale has preached that message. In May, for example, he warned that the Reagan policy in Central America would lead to involvement of U.S. combat troops in the region.

As an alternative, Mr. Mondale pledged to end U.S. military exercises in Honduras and to withdraw "our combat forces from Honduras" but to continue aid and training for both the Honduran and Salvadoran armies.

The contrast Mr. Mondale has deliberately struck is not with the Democratic past but with the Republican present. Arms control offers his central line of challenge to the president.

In effect, he is resuming the policy debate of the 1980 campaign, when Mr. Reagan attacked President Carter for being too soft on the issue.

Mr. Mondale has indicated Mr. Reagan's decision to pursue research in modern weapons systems for a space-based defensive shield, Mr. Mondale assailed the idea as "a hoax" and warned that it would cost hundreds of billions of dollars and open a new front in the arms race without offering real protection.

Soberly, Mr. Mondale has said, "There are many, many other issues, but that's the only one that counts."

## U.S. Senator, Surprising Leadership, Sees Compromise on Military Budget

By Jonathan Fierbringer  
New York Times Service

WASHINGTON — The Senate's assistant majority leader said the final military budget for 1985 would grow 5 percent after last year's 7.5 percent increase, a President Ronald Reagan and rest of the Republican leadership have insisted on.

The comment Friday by Ted Stevens of Alaska, who is also the chairman of the Appropriations Committee on Defense, caught White House and the majority leader, Howard H. Baker Jr., by surprise.

Mr. Baker said he did not expect percent to be the final figure. He was going to talk to Senator Stevens, he added. The White House, a statement, said it was continuing to push for a 7.5 percent rise. The military budget for the next year, which starts Oct. 1, has an eight percent increase in a deal between the Senate, which is controlled by the Republicans, and House, which is controlled by Democrats. The House leadership wrote a 3.5 percent rise after last year's 7.5 percent increase. Mr. Stevens's subcommittee approved a bill Friday that would trim overall Pentagon spending by \$299 billion next year, full 7.5 percent sought by the Senate and the House leadership. Spending authority allows the tagon to commit money for

programs, but because many projects extend over several years actual spending would be less.

Mr. Stevens said he got his committee to approve the appropriation bill in an effort to get around deadlocks between various committees of the House and the Senate.

Mr. Stevens said that although he was spending the president's military budget, "whether we like it or not we will get 5 percent, and we'll be lucky to get that."

"Sometimes we have to make up our mind," he said, directing his comment to the president. "I'm telling him what's achievable."

Mr. Stevens said, "There has been sort of an understanding between both houses that it will be 5 percent real growth."

Mr. Baker, of Tennessee, was visibly surprised when asked about the comments. "I respect Ted's opinion on most things, but I have no reason to expect that will be the end result," he said.

The setting of the military budget is the last major decision to be made on this year's deficit reduction package. A 5 percent growth figure would mean that the final package would cut deficits, now projected to total about \$800 billion through 1987, by about \$160 billion over the three years.

The White House staff, in California with the president, dodged questions about whether Mr. Reagan would accept a 5 percent rise. Martin Fitzwater, deputy White

House press secretary, said the president would press for 7.5 percent.

This insistence and disputes over the MX missile and other weapon systems have led to a stalemate on the military budget. House-Senate conference committees are deadlocked on the budget resolution, which sets nonbinding targets for spending authority, and the military authorization bill, which approves broad programs but not the money to pay for them. The money is approved in an appropriation bill.

Mr. Stevens's strategy is to try to get the bill approved Friday by the subcommittee and through the full Appropriations Committee, possibly next week, just before the recess for the Republican National Convention and Labor Day. Then, Mr. Stevens said, the Senate would have "a defense baseline" reflecting the president's desire for a 7.5 percent rise in the military budget.

Mr. Stevens said the Senate would then be able to get the president's military budget, or most of it, to a conference with the House.

In conference, Mr. Stevens predicted, the military spending increase the president wants would be cut.

A 5 percent increase in spending authority for the military in 1985 would reduce the \$299 billion figure the president wants to about \$293 billion, according to committee staff. The House budget resolution figure is \$285.7 billion.



A woman checks globs of oil on a beach at Galveston.

## Oil Spilled From Grounded Tanker Fouls Texas Coast, Spares Marshes

GALVESTON, Texas — Globules of crude oil from a grounded tanker coated a coastal area spanning this city's most popular tourist beaches but missed two environmentally sensitive marshlands.

Crews used road-working equipment Saturday to remove the oil, which was spilled when the British ship Alwens went aground July 30 about 100 miles (160 kilometers) east, off the shore of Cameron, Louisiana. The spill has been estimated at 1.25 million gallons (4.7 million liters). Texas officials confirmed that 55 miles (90 kilometers) of coastline had been affected.

"The environmental impact of this thing was very minimal," said Dale Plackett, a spokesman for the U.S. Coast Guard. "No shell, let alone any oil, got into the marshlands. That's what would have been hard to clean up."

## White Couple Gets To Adopt Black Child

A white couple in Maryland opposing a state policy that discourages interracial adoptions was told Friday that they will be allowed to adopt a mildly retarded 3-year-old black child. The Department of Social Services in Baltimore County, Maryland, agreed that the couple would make better parents than would other applicants.

James and Jackie Haas, a childless couple who are both special education teachers, were told in March that the county would consider their adoption request only if nationwide efforts to find a suitable black family were futile. State policy requires that social service departments make all possible efforts to place children with families of the same race.

The couple went to court to have the state policy found unconstitutional, but that case is now moot following the county decision to let them have the child.

## Topless Rules Eased For Olympic Visitors

Police in Santa Monica, California, being diplomatic for the Olympic games, have decided for the time being not to arrest European women who are going topless on beaches — a practice frequent in Europe but banned on most U.S. beaches.

"We usually don't do anything about it until someone complains," said a senior lifeguard, Bill Asturias. He said he just tells the women to cover up.

However, Mr. Asturias said some American women are taking advantage of the relaxed rules and are taking off their own tops, then pretending not to understand English. "But when we see we'll call the police if they don't put it back on, that usually gets through," he said.

## AMERICAN TOPICS

American Jewish Committee in Washington, complained to the White House about the idea.

Theodore H. White, the writer, has resigned from the National Press Club to protest the July 30 appearance at the club of Louis Farrakhan, the Nation of Islam leader. He also returned an award the club gave him four years ago. Mr. White said he resigned chiefly because Mr. Farrakhan threatened against a Washington Post reporter who quoted the Reverend Jesse L. Jackson referring to Jews as "Hymies."

## Short Takes

On Aug. 7 Americans in dozens of cities will turn back the clock to an era when citizens went for nighttime strolls or whiled away summer evenings on their porches or front stoops. They'll be participants in a "National Night Out," an unusual anti-crime effort that is intended both to deter street crime and show that the public is fed up with it. About 95 U.S. communities, including Philadelphia and Minneapolis, are backing the night out by encouraging residents to stay outdoors from 9 to 10 P.M.

The business traveler who stays overnight in a first-class hotel and eats three meals a day in first-class restaurants will pay an average of \$178 daily in Manhattan, says a management consulting firm quoted in Parade Magazine. Runzheimer and Co., which tracks 100 American and 25 Canadian cities frequented by business travelers, says that Washington follows New York City as the most expensive business destination, at \$149 a day. Travelers going first-class in Atlantic City, New Jersey and Los Angeles will average \$134 a day, and in Chicago \$130 daily.

More than 16 million people work full- or part-time for the federal, state and local governments combined, says the U.S. Census Bureau.

## Justice Stevens Says His Colleagues Have 'Leaped' to Exceed Authority

By Fred Barbash  
Washington Post Service

CHICAGO — Justice John Paul Stevens has delivered an unusual speech accusing the Supreme Court's majority of overreaching authority in controversial civil rights and defendants' rights cases. Justices rarely carry their distaste into a public forum and discuss specific cases as Mr. Stevens Saturday in dedicating a building at the Northwestern University Law School.

His comments concerned the scope of law under which judges supposed to keep their rulings narrow as possible and not deal with issues unnecessary to the resolution of a case.

Justice Stevens said he issued equivocally "far-reaching" pronouncements and had "grasped" "leaped" to decide issues that should have avoided, he said to several cases.

Mr. Stevens said the court had erred too far in the case of Memphis firefighters Union vs. Stotts by getting into racial quotas in employment might be illegal.

He said the case, in which the court ruled that a court may not order an employer to protect the rights of recently hired black employees at the expense of white employees who have more seniority, had been decided on much narrower grounds.

At the court elected to make a reaching pronouncement concerning the limits on a court's power to prescribe affirmative action as a remedy," he said.

In a second case, Colorado vs. Nunn, the court considered a criminal law decision from the Supreme Court of Colorado and then dismissed it for being purely a state-law matter over which the federal courts have no jurisdiction.

Justice Byron R. White, joined by Chief Justice Warren E. Burger and Justice Sandra Day O'Connor, agreed in a separate concurrence that the court had no power to review the case, but they nevertheless criticized the Colorado court's ruling.

"Three members of the court who are often described as conservatives — and who expressly agreed with the court's jurisdictional holding — could not resist the



John Paul Stevens

opportunity to volunteer their opinion about the rule of law that should have been applied to the merits of the case," Mr. Stevens said.

## Court's Record Defended

Philip Hager of the Los Angeles Times reported earlier from Chicago.

The solicitor general of the United States, Rex E. Lee, has defended the recent record of the Supreme Court, saying that, contrary to claims by critics, the justices' rulings widening law enforcement powers have strengthened individual rights and made Americans "more free."

Mr. Lee, whose office argues the government's side in cases before the court, made his remarks Friday. He took strong issue with the contention that the court, in its term that ended last month, had taken a philosophical turn to the right that unfairly favored government authority over individual liberty.

"People who live in the United States have more rights and enjoy more freedoms because of the work of the United States Supreme Court during the term," he said.

Mr. Lee said it was a distortion to say that rulings favoring the police automatically come at the expense of the individual.

"Very simply, crime inhibits freedom," he said. "For the overwhelming majority of people in America, the thief, the rapist and the kidnapper pose a significantly greater threat not only to our happiness but... to our liberties than do the policeman and the jailer."

## Turner, Seeking Votes, Goes to Canada's West

By Douglas Martin  
New York Times Service

VANCOUVER, British Columbia — Prime Minister John A. Turner carried his election campaign to western Canada last week in an effort to end the bitterness that existed between the people of the region and his predecessor, Pierre Elliott Trudeau.

Mr. Trudeau's policies on energy and rail transportation were seen by the people of western Canada as benefiting Quebec and Ontario at their expense.

Mr. Turner hopes that the governing Liberal Party, which now holds only two seats in Parliament from districts in western Canada, can revive its fortunes in western Canada. He has underscored his commitment by taking the politically risky step of seeking his own election to Parliament from a district in Vancouver now held by the Conservatives.

"I understand your sense of alienation, your sense of being irrelevant to the decisions made in the small triangle between Toronto, Ottawa and Montreal," Mr. Turner told supporters here.

Mr. Turner's goal of making the Liberals a national party is shared by the opposition Progressive Conservative Party. They are trying to increase their strength in Quebec, where they hold only one of 75 seats. Brian Mulroney, the party leader, is taking the same gamble as the prime minister by choosing to run in a Quebec district long held by the Liberals.

Mr. Turner was sworn in as prime minister on June 31. Shortly afterward, he called for a general election on Sept. 4, saying he needed a new mandate to deal with Canada's problems.

Mr. Turner's message is that his experience in politics and business can reverse the economic decline of the past three years. Canada's unemployment rate is more than 50 percent greater than that of the United States, and a fifth of the nation's youths do not have jobs.

Some commentators have said Mr. Turner's nine-year absence from politics may have dulled his political skills. Opinion polls show he was badly defeated in a recent series of debates with Mr. Mulroney.

## Nothing's safer than investing in U.S. Treasury Bills.

## Nothing's smarter than doing it U.S. Tax Free.

We have just solved the problems that have made it impossible to invest in U.S. Treasury Bills without being liable to U.S. Taxes.

The solution is called Capital Preservation Fund International.

Capital Preservation Fund International invests only in short-term U.S. Treasury Bills. Bills backed by the guarantee of the U.S. Government, backed by the wealth of the United States.

And it does it in such a way that non-U.S. citizens legitimately avoid being liable to U.S. Federal and Estate Taxes and may avoid being liable to their own national taxes. What is more, it does so from the secure privacy of Luxembourg, a major international financial centre.

An investment in Capital Preservation Fund has other advantages. It gives you immediate liquidity. It has no purchase and sell fees. It may be maintained in bare or any other form you require. It offers the full advantages of an investment based in Luxembourg. Advantages of which you may not be fully aware.

And it is managed by the Benham Management Corporation; skilled managers who have over \$2.2 billion under management in our sister funds in the United States.

To learn all of the advantages of this unique form of investment and to get a complete application form just send us this coupon. Enquiries receive immediate and discreet attention.

To: CPM, 3 rue Aldringen, 1118 Luxembourg.  
Tel: 2987, Tel: 47 56 12.  
Please send your Prospectus to:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Country: \_\_\_\_\_

Capital Preservation Fund International.

SUBSCRIPTIONS ARE ONLY RECEIVED ON THE BASIS OF THE PROSPECTUS. NOT FOR DISTRIBUTION IN THE UNITED STATES OR AUSTRALIA. EXCEPT TO PERSONS WHOSE BUSINESS INVOLVES THE ACQUISITION OF HOLDINGS OF SECURITIES WHETHER AS PRINCIPAL OR AS AGENT.

## Official Resigns; Cause of Funds Cited

WASHINGTON — Fred J. Vilella, the No. 3 official at the Federal Emergency Management Agency, has resigned because of allegations that he misappropriated \$100,000 to renovate a government building.

Mr. Vilella's resignation from agency, which is charged with aiding for national disasters, was two days after a House subcommittee heard evidence he had used extensive renovations to a rented building in Emmitsburg, Maryland.

**MP**  
for a French gift  
JEWELLER SINCE 1936  
4, place de la Madeleine - Paris 8e  
Tel. 260.3144 - 138, rue La Fayette - Paris 10e  
Credit Cards - Taxes repaid at the airport

**SKY** FROM SATELLITE TELEVISION

CHANNEL  
PROGRAM, MONDAY 6th AUGUST  
UK TIMES  
16.00 MUSIC BOX  
17.00 SKY-FI MUSIC  
18.00 CARTOON TIME  
18.05 MR ED  
18.30 GREEN ACRES  
18.55 CHARLIE'S ANGELS  
19.45 VEGAS  
20.35 ROVING REPORT  
21.00 AMERICAN SPORTS CAVALCADE  
21.55 MUSIC BOX

BROADCASTING TO CABLE COMPANIES IN EUROPE & THE UK VIA SATELLITE

CONTACT SATELLITE TELEVISION FOR FURTHER INFORMATION  
TELEPHONE: LONDON (01) 439 0491 TELEX 266943







## A Year After Triumphs, Pinochet's Opposition Is Split by Bickering

By Jackson Diehl  
Washington Post Service

SANTIAGO — The movement against the 11-year rule of President Augusto Pinochet is in disarray.

"The opposition is in crisis. The political liberalization is over. Pinochet is happy," said Genaro Arriagada, a leading Christian Democrat. "It's very depressing here."

The relaxation of pressure on General Pinochet has come a year after his moment of greatest crisis. In May 1983, mass anti-government protests began. Three months later, General Pinochet ordered 8,000 troops into the streets to control demonstrations. The resulting clashes caused 27 deaths in two days.

The opposition parties, which had just concluded an alliance, demanded the president's resignation. A recession, marked by unemployment of 33 percent, showed no sign of ending. Military unrest over overpopulation repression surfaced for the first time.

Now, the fortunes of General Pinochet and his opponents in some ways appear to have reversed. There have been no major protests since the last national day of protest failed in May.

The government has abandoned some plans for political liberalization and returned to repressive measures against adversaries. The economy is slowly improving and official unemployment is down to 4 percent.

Dissent in the military has been overshadowed by discontent within the traditional political parties. A split within the Socialist Party was allowed by feuds among Social Democrats, Radicals, Christian Democrats and Communists. Attempts to reorganize the multiparty democratic Alliance collapsed.

The groups "have fallen apart by themselves," General Pinochet said recently, "because they cannot live together."

Only the violence has appeared to remain constant. Local news media have reported more than 250 terrorist incidents in Santiago this year. Human rights groups have reported more than 100 deaths from repression in 15 months.

Political leaders insist that General Pinochet's plan to rule for at least five more years remains in force. Despite the opposition's troubles, the president's own support has not appeared to increase, and political parties are organizing a campaign of demonstrations beginning this month.

Yet many opposition politicians are beginning to conclude that it is their own division, more than General Pinochet's leadership, that is locking the way to democracy.

"These are legislators who know how to make proposals and hold debates," said Marcelo Contreras, Socialist magazine editor. "What they don't know how to do is get rid of dictators."

Many politicians trace the opposition's decline to the weeks following the last major anti-government protest in late March.

Those national demonstrations ended the support of small business and transportation sectors for the first time, and encouraged op-

position leaders hoping to move the country toward a national strike.

General Pinochet quickly responded to the campaign. He dismissed the last in a long series of rigid free-market economists who had conducted Chilean policy for nearly a decade, and appointed new economic advisors who moved toward more traditional policies of state stimulation of the economy and protection of local business.

The changes defused the discontent and revived hopes of economic recovery, several observers said. At the same time, General Pinochet made it difficult for the opposition to coalesce, by banning assemblies of labor leaders seeking to organize strikes and by methodically repressing the leadership of the country's militant left.

As these tactics slowed the opposition, its disputes intensified. A national protest called by labor unions in May fell flat, with only mild party support. The leading then spun out of control.

The Democratic Alliance, for example, sought to end internal problems by establishing a new organizational structure that reflected the relative strength of its six major parties.

After negotiations, the new structure broke down because of the opposition of the small Social Democratic Party, which did not want to give up the chance to have its president act as spokesman of the alliance for a month.

But the conflict has been most clearly expressed in a struggle for the allegiance of the Christian Democratic Party, the center anchor of the opposition and counterweight to the well-organized, pro-Moscow Communists.

Almost since the protest movement began, the left has sought to draw the Christian Democrats into a unified opposition front.

Meanwhile, rightist sectors formally independent of both the opposition and government have proposed that the party break from the left and negotiate a transition to democracy with the military.

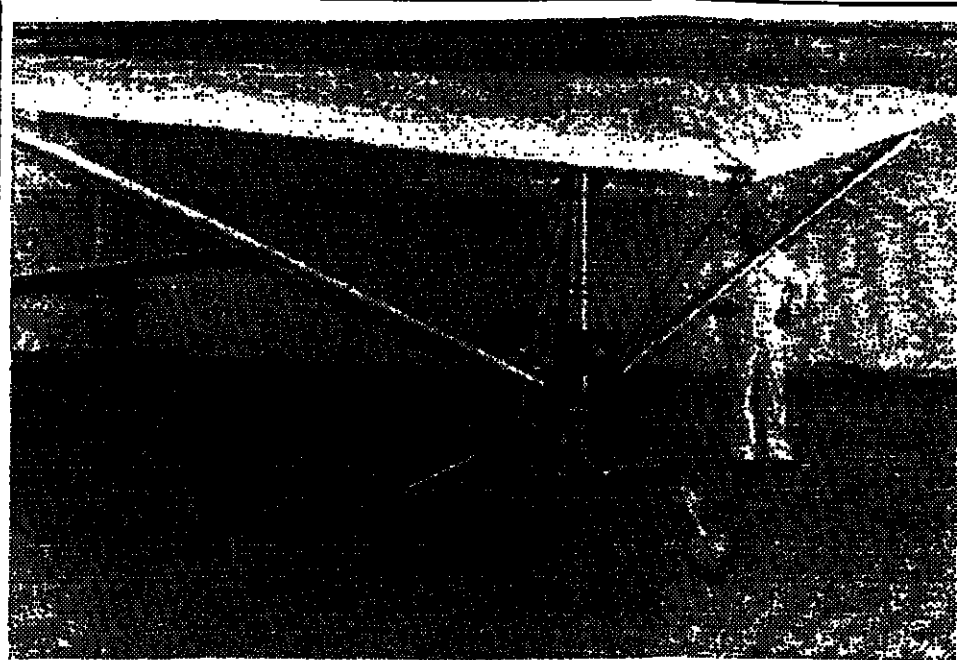
The left would like to defeat the right decisively and shape the political future with a center-left coalition. The traditional, non-Pinochet right, in turn, seeks a center-right bloc that would exclude the left, in particular the Communists.

Many Christian Democratic leaders say the only solution to the country's problems lies in a consensus under which the right and left accept each other's existence.

Yet after 11 years of military rule and growing rightist dissatisfaction with General Pinochet, the two sides appear to be irreconcilable.

Perhaps as a result, a leadership struggle has developed within the Christian Democratic Party, which includes at least three competing camps. The opposition may not progress, some observers say, until after the party's internal elections and a party congress in November.

General Pinochet, meanwhile, continues in power. "If this keeps up," said Mr. Contreras, the Socialist editor, "people will begin to choose more radical options. And if Pinochet makes it to 1989, the political center will be destroyed."



The ultralight craft used by the Czechoslovak student to flee to Austria.

## Czechoslovak Soars Across Austrian Border

The Associated Press

VIENNA — A Czechoslovak engineering student seeking political asylum flew over the Austrian border in an ultralight aircraft, a police official said.

The student, 24, whom authorities identified only as Ivo Z., landed in front of a hangar at Vienna's Schwechat airport. He was taken to Traiskirchen, Austria's main camp for political refugees, about 25 miles (40 kilometers) south of Vienna.

Lieutenant Colonel Gerhard Reumann of the airport border control said the student "comes from a prominent scientific family in Prague. I can't be more specific. But he clearly showed technical skill."

He said the student took the parts of the craft by car to a wooded area where he assembled it. He took off from Lozorno, near the Austrian border, during the middle of the night.

The police official said, "The young man told us that he planned his escape for about a year," building "a technically very interesting contraption."

While conventional hang-gliding pilots dangle beneath the wing, using their legs as starting and landing gear, the student's aircraft was equipped with a seat and a backward propeller for takeoff, Colonel Reumann said.

He said the propeller was powered by a motor taken from a car, to which a motorcycle gas tank was attached.

It was also equipped with navigational gear, a frame with three wheels and a foot brake, and a reserve propeller, Colonel Reumann said.

## Europeans to Press Superpowers On Space Talks After U.S. Elections

By William Drozdiak  
Washington Post Service

BONN — West European governments appear resigned to the growing likelihood that U.S.-Soviet talks on space weapons will not occur before the U.S. elections in November. But they remain determined to press the superpowers to forward later this year in anti-satellite testing and they wanted to stop it," a NATO official said. "But in any event, there has been no strong urging from the Europeans for a self-imposed moratorium by the United States."

The only criticism from the allies of Mr. Reagan's diplomatic fencing with the Russians arose with the initial U.S. request to broaden the agenda of the space weapons talks to include nuclear missiles.

NATO officials said some delegations believed the United States should have seized the opportunity to pull the Russians into negotiations, without providing Kremlin leaders any pretext to withdraw their offer.

The anxiety felt in Europe about the risks of an arms race in space is expected to revive pressure after the U.S. election for initiatives by the superpowers to reach an agreement quickly on restricting anti-satellite weapons and anti-missile defenses.

Prime Minister Margaret Thatcher of Britain warned last month that "if each side of the Iron Curtain goes on to the next stage of research, the next stage of weaponry, the other will surely follow."

She said outer space could be "turned into a new and terrible theater of war."

Karsten Voigt, foreign affairs spokesman of West Germany's opposition Social Democratic Party, said European fears about the space weapons race are so great that the issue will soon present a greater challenge to NATO's survival than did the controversy over missile deployment.

The concern that Europe could be left exposed as a nuclear battlefield while the superpowers developed invulnerable laser-based weapons has spurred the allies to rally behind a French proposal that would severely restrict military systems in space.

The proposal would ban weapons that could strike high-altitude observation and communications satellites and also block for at least five years all tests and development of laser weapons capable of destroying ballistic missiles.

## Theft, Export of Ship Parts From Rolls-Royce Reported

Reuters

LONDON — The police have uncovered a racket at the engine manufacturer Rolls-Royce Ltd. involving the theft of engine parts for warships and their secret shipment to Iran and Argentina, a British newspaper reported Sunday.

The Sunday Telegraph said the fraud squad was investigating corruption at the state-owned company's factory near Coventry, including the theft of parts for warship gas turbines over the past seven years. It said millions of pounds sterling were involved.

The newspaper said the police were also investigating allegations that cash and other gifts, including vacations, had been given to employees of other companies to help win contracts.

Police officials confirmed that they were investigating allegations of theft and corruption at the plant and the disposal and distribution of stolen property.

A spokesman said a number of men would appear in court Tuesday in connection with the theft of gas turbine components, but he refused to confirm or deny that parts had been smuggled to Iran or Argentina. He gave no further details.

Rolls-Royce, which makes engines for planes and ships, is not directly connected with the Rolls-Royce luxury car maker.

## Panama May Ask U.S. to Shut Base Used for Training of Latin Soldiers

The Associated Press

WASHINGTON — The United States may be forced to close a school in Panama at which 44,000 Latin American soldiers have been trained by U.S. officers since 1940.

Alan D. Romberg, a State Department spokesman, said Friday that negotiations to allow the United States to continue a training school at Fort Gulick in Panama "may not be successful." He said U.S. authority to educate Latin American military personnel there will expire on Oct. 1.

At issue is whether Panama will permit the United States to open a successor operation to the U.S. Army School of the Americas.

Last week, the Panamanian president, Jorge Illueca, said Panama would ask that the school be closed "in homage to General Omar Torrijos," whose government negotiated the canal treaties with the United States seven years ago.

Afterward, however, General Manuel Antonio Noriega, commander of Panama's Defense Forces, said no decision had been reached on the school.

## Massacres Are Reported in Uganda

### Slaughter of Civilians Called Worse Than Under Idi Amin

By Caryle Murphy  
Washington Post Service

WASHINGTON — The Ugandan Army has killed or starved to death thousands of civilians in recent months as part of the government's fight against insurgents, according to sources.

The deaths, mostly of women and children, as well as arrests of hundreds of political activists, are part of a campaign observers say is worse than during the eight-year rule of Idi Amin, the former dictator.

Elliott Abrams, assistant secretary of state for human rights and humanitarian affairs, said U.S. efforts to stop the killing have been unsuccessful. He said he planned to discuss it in detail at a congressional hearing this week.

A Ugandan Embassy official in Washington denied the assertions. Mr. Amin's was in power from 1971 to 1979. He suspended parts of the constitution, dissolved the National Assembly and has been accused of using troops to brutalize political opponents. Mr. Amin was removed from power after intervention by the Tanzanian Army and Ugandan exiles. The country had a series of appointed governments before the current elected president, Milton Obote, took over in 1980.

According to the U.S. sources and sources in private refugee-monitoring groups, the situation has deteriorated again and between 100,000 and 200,000 Ugandans have been killed in the past three years in an area of the country known as the Luwero triangle.

Many of those deaths have occurred since March when Mr. Obote's government, intensifying its battle with guerrillas, stopped international organizations from distributing food and medicine to the heavily populated area near the capital of Kampala, according to the sources.

"Millions of dollars which could be used to save lives are being stopped at Kampala," a source said.

In addition to the food cut-off, numerous reports of massacres and indiscriminate killings by the army in the Luwero triangle and in the northeast region of Karamoja began reaching Kampala in May.

These have led Western observers to conclude, in the words of one, that the government has initiated "a get-tough policy in which noncombatants seem to be the principal victims."

"It's a policy of terror in which people are being massacred," the source said.

Roger Winter, director of the U.S. Committee for Refugees, said: "It would not have been believable to a Westerner that conditions in Uganda could be worse under Milton Obote than they were under Idi Amin. But the numbers of people affected by these crazy, irrational killings are larger. There is not the buffoonery and notoriety attached to Obote that was attached to Idi Amin and so it just goes along and very few people focus on it."

Aggrey S. Awori, a minister at the Ugandan Embassy, said: "Your story is totally untrue. It is nowhere near the truth. It is deliberately calculated to malign the government and the innocent people of Uganda."

Mr. Awori denied that the government has stopped distribution of relief supplies. Although people have been killed in "cross fire between government forces and bandits," he denied it was as high as 200,000.

A source said that in one incident at the end of May, 300 people, many of them women and children, were raped and murdered by the army in a three-day killing spree at the town of Namugongo. A prominent Anglican cleric, Godfrey Bazira, was among those killed.

"It was by no means an isolated incident," the source said.

Mr. Awori said that "there was no massacre at Namugongo" and that the government had officially confirmed only 12 deaths there.

In addition, arrests of political opposition activists has increased since March, the sources said. Numbering in the "many hundreds" at an absolute minimum, "according to a source, they are believed to have been taken to secret military detention centers where they are kept in crowded and inhumane conditions."

A recent escapee from a military prison in Kampala said he had been forced to drink his own urine and that some inmates, to stay alive, had eaten the flesh of prisoners who were dead. The refugee, a 26-year-old taxi driver, said he believed he was imprisoned because he was a member of the Baganda tribe, which supports the opposition Democratic Party.

An estimated 800,000 civilians have been displaced in Uganda because of the continuing conflict, whose roots lie in tribal, religious and political differences.

"Our own efforts have not prevented the situation from getting worse and it is getting worse," Mr. Abrams said. He said he planned to give a full report on Uganda when he testifies Thursday before the House Foreign Affairs subcommittee on Africa and human rights.

The United States has a \$100,000 military-aid program with Uganda. Mr. Abrams said. It has provided \$9 million this year for three educational and medical programs through the Agency for International Development. Uganda has more than \$400 million in loans from the International Monetary Fund, an IMF spokesman said.

## Mugabe's Party Meets To Solidify Its Control

Reuters

HARARE, Zimbabwe — Zimbabwe's ruling party will hold its first congress in 20 years this week. About 6,000 members of Zimbabwe African National Union will debate a draft constitution whose central plank is the establishment of a one-party state in Zimbabwe under its own "vanguard leadership."

The meeting will begin Wednesday on the 21st anniversary of the founding of the party, which is now splintered.

The Zimbabwe African National Union held its first congress in 1964, and Robert Mugabe, now the prime minister, was elected to one of the three top posts.

These have led Western observers to conclude, in the words of one, that the government has initiated "a get-tough policy in which noncombatants seem to be the principal victims."

"It's a policy of terror in which people are being massacred," the source said.

Roger Winter, director of the U.S. Committee for Refugees, said: "It would not have been believable to a Westerner that conditions in Uganda could be worse under Milton Obote than they were under Idi Amin. But the numbers of people affected by these crazy, irrational killings are larger. There is not the buffoonery and notoriety attached to Obote that was attached to Idi Amin and so it just goes along and very few people focus on it."

Aggrey S. Awori, a minister at the Ugandan Embassy, said: "Your story is totally untrue. It is nowhere near the truth. It is deliberately calculated to malign the government and the innocent people of Uganda."

Mr. Awori denied that the government has stopped distribution of relief supplies. Although people have been killed in "cross fire between government forces and bandits," he denied it was as high as 200,000.

A source said that in one incident at the end of May, 300 people, many of them women and children, were raped and murdered by the army in a three-day killing spree at the town of Namugongo. A prominent Anglican cleric, Godfrey Bazira, was among those killed.

"It was by no means an isolated incident," the source said.

Mr. Awori said that "there was no massacre at Namugongo" and that the government had officially confirmed only 12 deaths there.

In addition, arrests of political opposition activists has increased since March, the sources said. Numbering in the "many hundreds" at an absolute minimum, "according to a source, they are believed to have been taken to secret military detention centers where they are kept in crowded and inhumane conditions."

A recent escapee from a military prison in Kampala said he had been forced to drink his own urine and that some inmates, to stay alive, had eaten the flesh of prisoners who were dead. The refugee, a 26-year-old taxi driver, said he believed he was imprisoned because he was a member of the Baganda tribe, which supports the opposition Democratic Party.

An estimated 800,000 civilians have been displaced in Uganda because of the continuing conflict, whose roots lie in tribal, religious and political differences.

"Our own efforts have not prevented the situation from getting worse and it is getting worse," Mr. Abrams said. He said he planned to give a full report on Uganda when he testifies Thursday before the House Foreign Affairs subcommittee on Africa and human rights.

The United States has a \$100,000 military-aid program with Uganda. Mr. Abrams said. It has provided \$9 million this year for three educational and medical programs through the Agency for International Development. Uganda has more than \$400 million in loans from the International Monetary Fund, an IMF spokesman said.

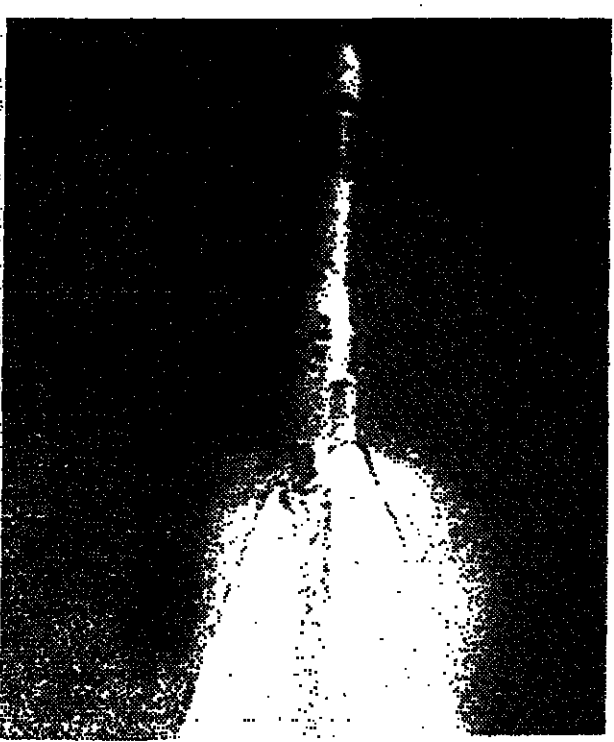
## Chimps Infected With AIDS in Lab

New York Times Service

NEW YORK — Scientists have succeeded in infecting four chimpanzees with acquired immune deficiency syndrome, or AIDS, and have taken a crucial step toward development of a vaccine against the disease.

Researchers from the Centers for Disease Control and the National Institutes of Health said Friday that two animals had been injected with a virus and the other two had been given blood taken from an AIDS patient. All became infected, although only one has actually become ill.

Transmission of the disease to a primate strengthened the case that a virus causes AIDS. Two viruses discovered earlier this year, one in France and the other in the United States, are thought to be implicated.



Europe's Ariane rocket takes off from French Guiana.

## Ariane Rocket Launches 2 Satellites In a New Challenge to U.S. Shuttle

The Associated Press

KOUROU, French Guiana — The European Space Agency has launched two communications satellites with its new Ariane-3 rocket, confirming its role as a major competitor with the U.S. space shuttle program.

The two telecommunications satellites were launched Saturday. They were placed in what European Space Agency officials said was a "perfect orbit" 22,350 miles (36,000 kilometers) above Earth.

Ariane, a conventional three-stage rocket developed by the 11-nation West European consortium, is technically less advanced than the shuttle, which is re-usable and can carry men and women into space.

But European Space Agency officials say it is the most advanced conventional satellite launcher in history and that conventional rockets can com-

## WORLDWIDE ENTERTAINMENT

You won't be hungry tonight after eating at

**CONWAY'S**

NEW YORK  
BAR RESTAURANT  
WHY?  
because you can read the menu.

Open all day every day.  
73 Rue St-Denis, Paris-1st (Paris).

THÉÂTRE DAUNOU  
7, rue Daunou, PARIS  
Tél.: 261.69.14

**FROM HARLEM TO BROADWAY**

Musical Comedy

**HYATT REGENCY MANILA**  
40% OFF\*

Real value from Hyatt: 183 room rates available. Brand-new rooms and facilities to please the most fastidious traveler. Each guestroom with a private balcony for an incomparable view of Manila Bay, sunset. Two employees per guestroom for prompt and more personalized service.

For immediate confirmation of individual reservations, call 831-2611. Telex No. 63044 ETPHYAPN. 2702 Roxas Boulevard, Pasay City, Philippines, or your nearest Hyatt Sales Office.

\*Valid until September 30, 1984.

"Efficiency knows no boundaries."

Roads lead to places. To people. To opportunities. With the quiet care of the professional interRent helps you to get to the place of your choice. To the people, and to the opportunities they hold.

Bon voyage!

**interRent**

The international car rental system

"Serving you at the most frequently visited airports and business centers - and beyond"







# BANKING AND FINANCE IN NIGERIA

A SPECIAL REPORT

MONDAY, AUGUST 6, 1984

Page 7

## Political System' Remains in Place Despite Military

By Eddie Iroh

LAGOS—Nigerians hold a philosophy that perhaps best captures their political situation. They say: "solder go, soldier come, but bakas remain."

In 24 years of independence, Nigeria has had seven governments—civilian and five military. But the country's "political system" has remained basically the same. The structure and ideology—or lack of the latter—that began with independence in October 1960 have remained relatively unchanged.

The fundamental concern of Nigeria's successive leaders has been to recognize and reflect in practice the country's multi-ethnic nature. Whether as a federation of four states, or a federal republic of 19 states, the objective has endured.

To be sure, the military did attempt to tamper with the federal structure. The late General Abacha's 1966 Unification Decree tried to introduce the kind of centralized command structure that soldiers were more comfortable with. But it soon became clear that to most Nigerians a unitary

system of government was as suspect, even disastrous, under military dictatorship as it would have been under a civilian democracy.

While there is no longer any dispute about the federal structure as the best means of reflecting the varying needs and religious pluralism of some 250 tribes and tongues, ideological debate has remained inconclusive, resuming each time a new government comes to power.

But successive governments have avoided committing themselves to any ideological position, in spite of pressures from an articulate and growing left wing. They say that such a commitment is an "imposition on the people of Nigeria."

Speaking recently to the editor of the Lagos-based Punch newspaper, the chief of staff of supreme headquarters and the second-highest ranking government official, Brigadier Tunde Idiagbon, said that "an ideology is not an end in itself, only a means to an end." The present government, he declared, "would prefer not to be haunted by the ghost of ideology." It is a rebash of the position of earlier governments.

There are, however, many who



General Muhammad Buhari, head of state.

## Growing Debt Problems: Can the Economy Cope?

Special to the IHT

LONDON—Barely three years ago, Nigeria was universally regarded in the international banking community as "underborrowed." Bankers rushed to advance dollars to state and federal governments for their pet projects, regardless of the long-term costs and benefits.

Today, the largest oil producer in Africa is seen by the same people as a real problem case, with a debt burden of disturbing proportions building up for the rest of the decade, and considerable uncertainty over its ability to manage its financial affairs.

So what went wrong? Did the bankers misread Nigeria, or has the situation really been transformed so drastically? How serious is Nigeria's indebtedness, and can the country cope?

Inevitably, the answers include a bit of everything: a degree of blindness by the bankers, compounded by their excessive marketing zeal, combined with judicious borrowing by a host of government agencies in Nigeria, bad management that failed to identify the problem in time and all of this accentuated by the dramatic effects of the international oil glut, which decimated the country's oil revenues in a period of months.

On the face of it, Nigeria's external borrowing policies have been "conservative," to cite the International Monetary Fund. With the exception of two "jumbo" loans totaling \$1.75 billion undertaken in 1978 for balance of payments purposes, and about \$2.1 billion borrowed to set up a domestic steel industry, "medium- and long-term debt contracted or guaranteed by the federal government of Nigeria has been in relatively small amounts," according to a recent IMF report.

Nevertheless, there was a rash of borrowing by the 19 state governments after the return of civilian rule in 1979, and the conservatism of medium- and long-term borrowing was not matched by similar restraint in the short-term trade finance sector. Today's problem is a combination of those two factors.

Estimates by the World Bank and the IMF put Nigeria's external indebtedness in 1980 at a modest \$4 billion, rising to \$4.95 billion in the following year, and \$7.97 billion by 1982. Yet, most of the increase between 1981 and 1982 is accounted for by a sudden recalculation of the indebtedness of the state governments, because nobody had kept track of them adequately.

Latest figures published by the Nigerian government—its own admission that a problem exists—put the debt at the beginning of 1984 at about \$10.2 billion, including the refinancing of some \$1.9 billion in short-term bank credits agreed in July and September of 1983.

To that must be added the cost of refinancing a further huge backlog in short-term trade debts, still be-

ing negotiated by the Nigerian government with both uninsured creditors and the major Western export credit guarantee agencies such as the U.S. Export-Import Bank, Britain's Export Credit Guarantee Department (ECGD), France's Coface and West Germany's Hermes. The Nigerian Finance Ministry puts the total at \$4.6 billion, while some banks believe it could easily total \$6 billion.

Nigeria is seeking to repay the money over six years, with a grace period of 30 months and an interest rate set at 1 percent over Libor, the London interbank offered rate.

With the assistance of Chase Manhattan Bank, it is currently involved in a massive operation to calculate exactly how much is outstanding, by reconciling the claims of Nigerian importers and their suppliers.

That exercise seems certain to take several months more. With Chase trying to process more than 200,000 separate claims, the end result will be to push up the figure for disbursed medium- and long-term external indebtedness to at least \$15 billion, almost four times the level of 1980.

In addition, Nigeria has about \$8 billion in undisbursed loans outstanding, although much of the money is tied to projects that have slowed to a standstill because of the shortage of government finance inside the country and cannot, therefore, be drawn down rapidly.

While the level of debt has soared, Nigeria's foreign exchange reserves dwindled to a purely notional level of around \$1 billion, artificially maintained by accumulating ever-increasing short-term payments arrears, and rationing everyone from Nigerian students overseas to expatriate workers inside the country.

The key to Nigeria's debt-service capacity in the coming years, as to most economic activity, will be the level of oil production and exports.

The latest decision by the Organization of Petroleum Exporting Countries to allow Nigeria an increase from 1.3 million to 1.4 million barrels a day in August and 1.45 million in September in its official production quota, will provide only a very temporary palliative, unless it can be extended. Every extra 100,000 barrels a day earns the country an extra \$1 billion a year from oil exports.

In spite of the drastic cuts in imports imposed from April 1982 onward, the deficit on the current account of the balance of payments still came to \$4.4 billion in 1983, after reaching almost \$6.8 billion the previous year. Although imports are down again this year, economic activity has been drastically reduced, accumulated stocks (traditionally kept very high in such an uncertain market) are effectively exhausted and further import savings seem unlikely.

If oil production for the year averages around 1.4 million barrels a day, the total oil export earnings

should be of the order of \$10.8 billion. Visible imports were cut in the first quarter of 1984 to some \$810 million a month, which would mean \$9.7 billion for the full year, if the cuts can be sustained.

That would leave a visible trade surplus of some \$1.1 billion to help pay debt-servicing costs for 1984 estimated at \$3.8 billion. As the costs of servicing the refinanced trade arrears, and the bulge in medium-term borrowing, build up, the debt servicing requirement could reach some \$4.4 billion in 1985, and more than \$5 billion in 1986 and 1987, according to relatively conservative banking estimates.

If oil income does not increase significantly in the coming years, Nigeria will, therefore, be facing a debt service ratio—the proportion of its export earnings consumed by debt servicing—of something approaching 50 percent.

Nigerian officials insist that the future debt-service costs are not so high, but they have already taken some action to prevent any further deterioration, including an absolute ban on any further foreign borrowing by state governments.

However, if the banking estimates for external debt and the future servicing costs are remotely accurate, Nigeria seems certain to need a significant amount of balance-of-payments finance to tide it over until oil and other exports can pick up and a sustained reduction made in imports.

The immediate source of such finance would be the IMF. But Nigeria's talks with the fund have become bogged down over disagreement on the need for an outright devaluation of the naira. Fund officials insist that any economic restructuring, to promote nonoil exports and domestic agriculture and discourage imports, will be impossible without a swift and sharp devaluation of at least 25 percent. Nigerians are virtually unanimous that such a move would be disastrous both economically and politically, pushing up inflation throughout the economy—not only in the imported-goods sector—and putting a huge extra burden on Nigerian importers with a backlog of unpaid bills.

## Oil Boom Ends, but Substantial Income Remains

By Martin Quinlan

ONDON—Nigeria's oil boom is over, but the government has substantial foreign-exchange earnings coming in.

Revenues—shared between federal and state governments—peaked at over \$23 billion in 1983, but declined in line with the falling market for oil to only \$10 billion last year. This was translated into an increase to around \$12 billion on this year indicates that the boom is over.

OPEC can keep its price/protection pact together, analysts say that gradual economic recovery will ease the pressures on a lamentably oversupplied world

oil market. Political crises—such as an escalation of Gulf hostilities—apart, few are predicting any significant real-terms increase in oil prices for some time to come.

But Nigeria is well-placed to capitalize on short-term increases in demand, and might be able to persuade OPEC to allow another rise in its production ceiling when conditions allow.

The increase—presented as "temporary"—conceded to Nigeria at OPEC's July conference is seen as establishing an important precedent, with Saudi Arabia (which will curtail its output to maintain the overall 17.5 million barrels a day ceiling) recognizing that Nigeria's difficulties are greater

than its own. If Nigeria can sell the extra oil, it will be able to lift 1.4 million barrels a day in August and 1.45 million barrels a day in September (against the former ceiling of 1.3 million barrels a day). Net revenues at 1.45 million barrels a day are over \$1 billion a month—well in excess of the current level of imports.

What remains to be seen is whether there will be a market for the additional oil. Oil Minister Tam David-West is highly optimistic, claiming that 1.6 million barrels a day would be needed to satisfy new contracts awaiting signature together with the needs of existing customers. For the first few months of this year demand for the heavier

Nigerian grades, particularly Bonny Medium and Forcados, was strong due to their high diesel yield (needed to meet an unforeseen peak in demand for heating oil and diesel oil). But lately demand for these grades has eased, and price premiums that Nigeria was mounting failed to materialize. Other OPEC members will be watching like hawks for signs of disguised price-cutting—such as selling a mix of heavy and light crudes, at an intermediate price. But Lagos seems unlikely to take unfair advantage of its concession.

The other development behind the forecast \$2-billion rise in revenues this year is the government's clampdown on rackets to export

refined products illegally. It is now clear that illegal products exports—attractive because Nigeria's prices are subsidized—were behind much of the escalation in figures for Nigeria's products demand over the last few years. According to OPEC statistics, Nigerian consumption climbed from 112,000 barrels a day in 1977 to 171,000 barrels a day in 1980, and by 1982 had hit 247,000 barrels a day. But rigorous policing of borders and ports by the military government earlier this year soon led to over-bumping storage tanks as the illegal flow was stemmed.

In addition to its own refining (Continued on Page 10)

## Government Begins to 'Clean Up' Trade Sector

By Patrick Smith

LAGOS—Nigerians, frequently misled by their local newspapers' nation of traders, have been trying to come to terms with a government that has pronounced itself "determined to clean up the commercial sector." The country's mercantile class, from the small market stallholder to the owner of the biggest retail outlets and big commodity importers, has been affected by a series of government measures aimed at controlling prices and reducing graft corruption.

The most obvious change is the physical appearance of the cities. The rows of stalls that lined the streets of most of the major cities have gone; in some cases all that remains of them is a pile of broken planks and crumpled sheets of corrugated iron.

The notorious Quayside market in the center of Lagos, where one could buy anything, from bags of marjorana to a smuggled version of the latest Pierre Cardin suit, has been completely razed to the ground. In the suburbs whole areas of apparently waste ground, where shepherds from the north would

bring their rams down to graze before selling them, have now been cleared. The shepherds are now directed to the City Council's abattoir.

The 19 state governments now demand that all traders must pay a license and a subscription fee to the local authorities and set up their stalls only in approved market areas. The governor of Lagos state, Group Captain Gbolahan Mudashiru, said that the government did not want to deprive traders of their livelihood but wanted to clear the streets of "obstructions and criminal elements."

Licensing traders is providing the state governments with a much-needed extra source of revenue since few of the traders were paying any form of income tax.

Nigeria is overwhelmingly a cash economy—most traders fund their businesses from huge stacks of naira artfully concealed in their homes. It was partly because of this hoarding that the currency exchange earlier this year hit trading so badly. Many traders were starved for cash since anyone who presented more than 3,000 naira for exchange at the bank was re-

quired to account for the money and leave it on deposit. Many traders for the first time in their lives had to open bank accounts.

But Nigerian bankers do not anticipate winning that many customers. "They opened their accounts at the time of the currency exchange, but as soon as they could, they withdrew most of their money that had been on deposit and we haven't seen most of them since," said one Lagos banker.

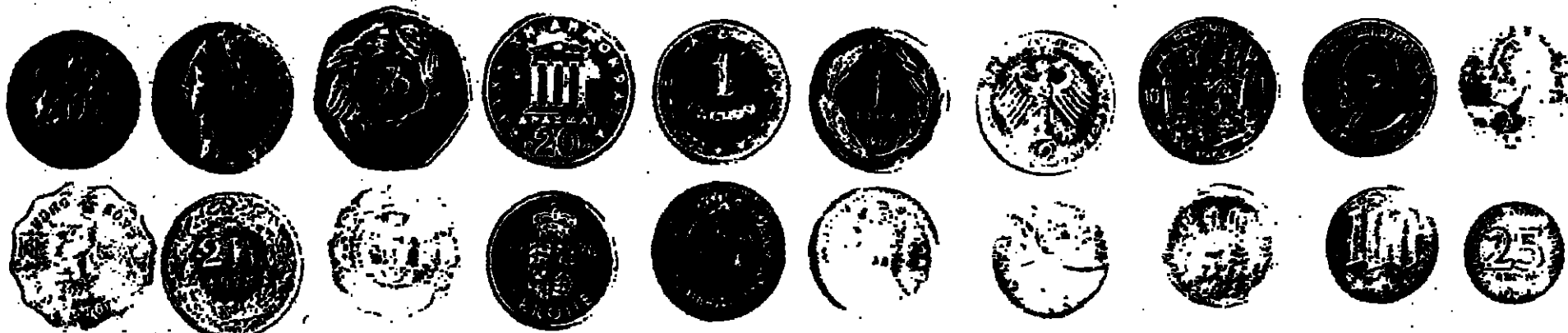
The currency exchange did have a temporary stabilizing effect on (Continued on Page 10)

### BASIC DATA

AREA: 923,768 square miles; population (1982): 82,382,000.  
GROSS DOMESTIC PRODUCT (1983): \$48 billion. GDP per capita: \$543.  
IMPORTS (1982): 7.8 billion naira.  
EXPORTS (1982): 7.216 billion naira.  
MONEY SUPPLY (1983): \$11.5 billion naira.  
CURRENCY: 100 kobo = 1 naira. 1 naira = \$0.77.

# Union Bank

## Serves Nigeria and International Business



ASK US FIRST. A bank that is trusted by both Nigerian and International Businessmen, UNION BANK is one of the largest in Nigeria, and indeed one of the top 500 banks in the world. With more than 170 branches in all parts of the Federation, assets well over N2 billion, and upwards of 60 years' tradition of banking in Nigeria, we are ideally placed to help you.

UNION BANK offers a full range of modern banking services—retail and wholesale, personal and corporate, domestic and international. Our own proven capabilities are enhanced by first class correspondent banking relationships with access to global resources.

So when in Nigeria, or just contemplating doing business with Nigeria, ASK UNION BANK FIRST.



UNION BANK

UNION BANK OF NIGERIA LIMITED

40 Marina, Lagos  
Telex: 21222  
Telephone: 661006

Main Correspondent:

Barclays Bank International Ltd.,  
54 Lombard Street, London EC3P 3AH.  
Telephone: 01-283 8989. Telex: 887591.

We set the pace...



INCORPORATED IN NIGERIA

## OFFERS FULL RANGE OF MODERN BANKING

THROUGH ITS BRANCHES AT:  
ONDO, OYO, OGUN, LAGOS AND KANO STATES OF NIGERIAHead Office:  
17, Oyemkun Road. P.M.B. 795 Akure Ondo State, Nigeria.Central Office:  
54, Warehouse Road. P.M.B. 1122 Apapa Lagos, Nigeria.

Affiliated with



### Middle East Bank

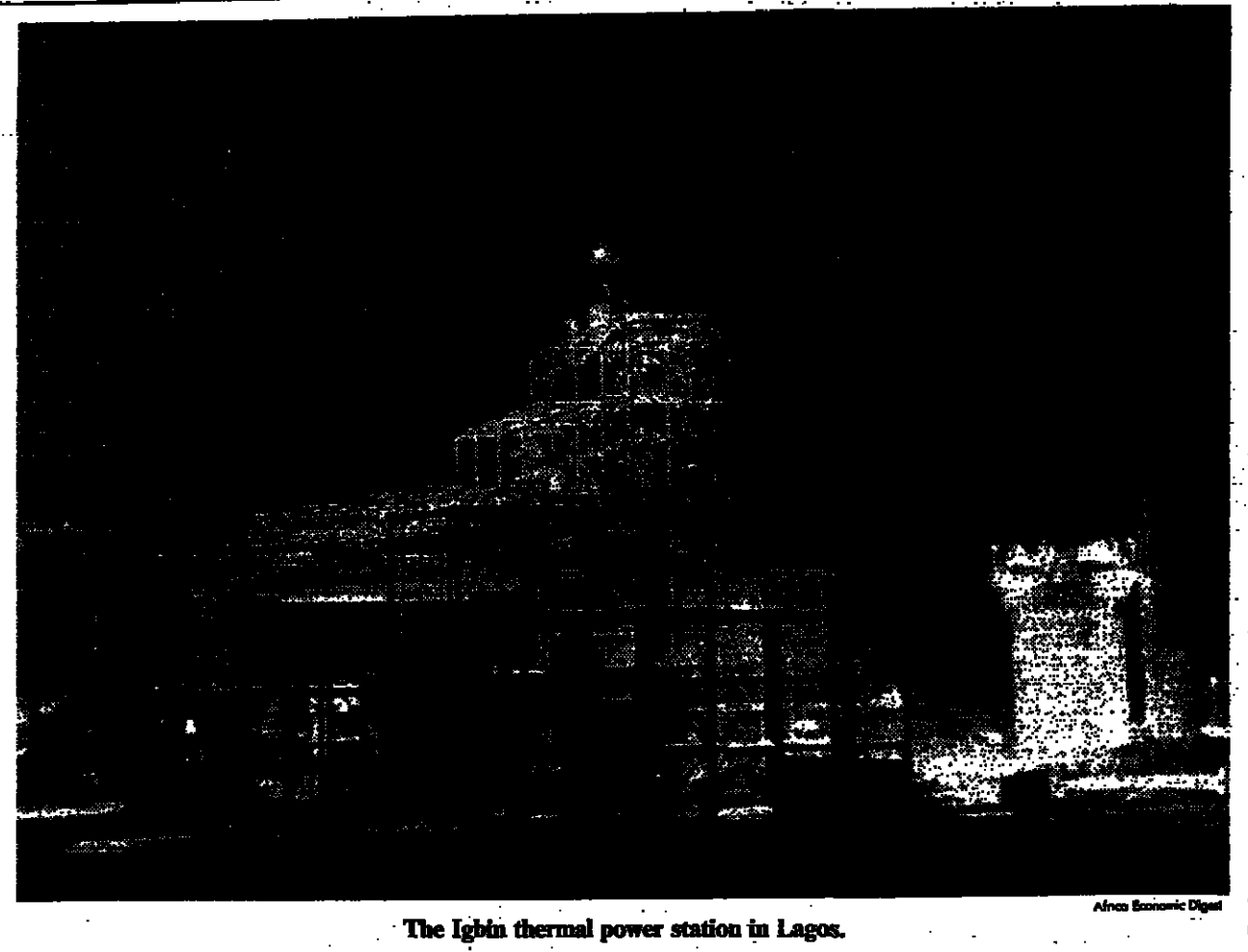
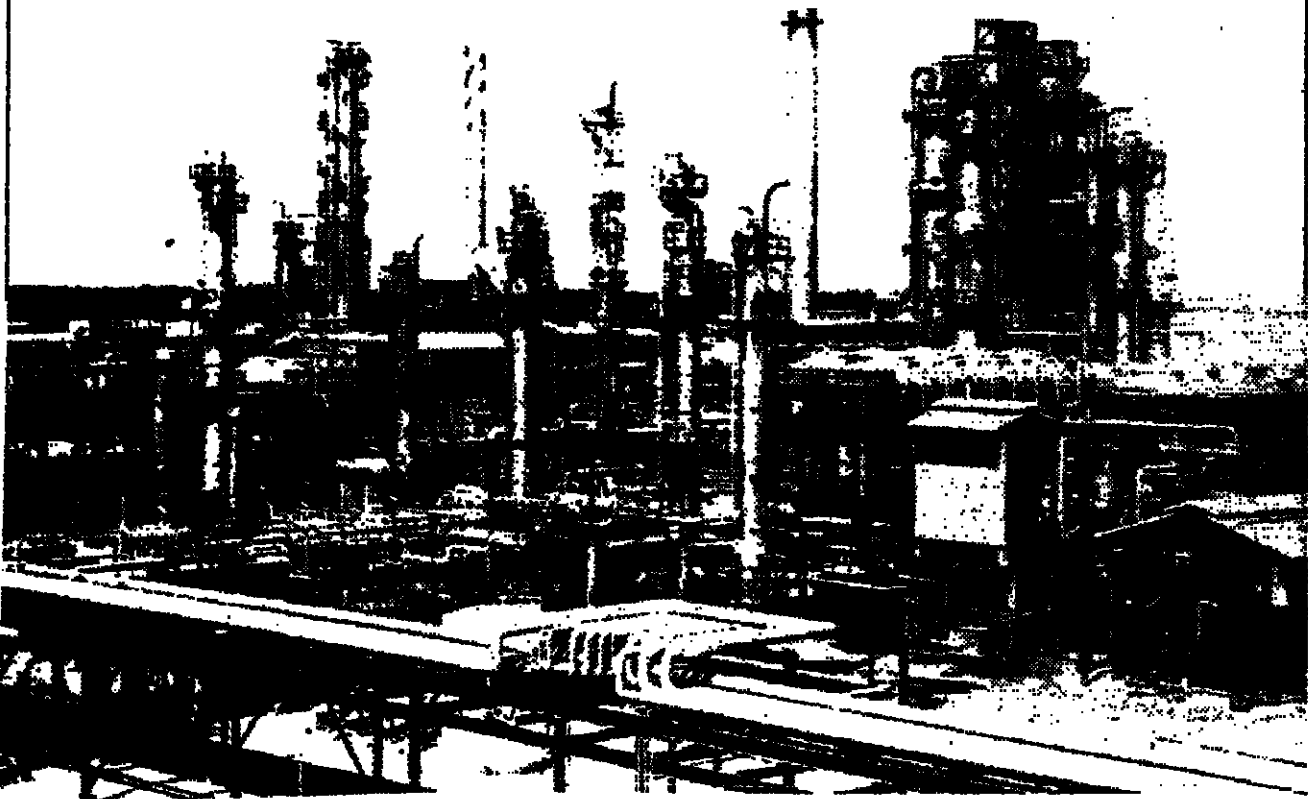
Head Office:  
P. O. Box 5547 Dubai United Arab EmiratesWith Branches at:  
1, Lombard Street London EC3V 9AA  
Tel: 01-283-2201/6. Tlx: 8956505 MEBNAK G. 8951481 MEBNAK G.330 Madison Avenue 25th Floor New York, NY 10017  
Tel: (212) 557-2500, (212) 557-2501. Tlx: 238145 MEBK UR 428469 MBEK NYAnd in UAE, EGYPT, PAKISTAN, SRI LANKA and SUDAN  
Also represented at DJIBOUTI, BAHRAIN, CAYMAN ISLAND, HONG KONG and KENYA  
through the Affiliates and Subsidiaries.

## NNPC IS PIONEERING THE DIVERSE TECHNOLOGIES NIGERIA NEEDS FOR THE YEARS AHEAD

WHEN YOU THINK OF INFRASTRUCTURE FOR  
NIGERIA'S INDUSTRIAL TAKE-OFF, THINK OF  
NNPC.PETROLEUM AND ITS BY-PRODUCTS: THE  
VERY BASICS OF INDUSTRY TODAY AND FOR  
CENTURIES TO COME.THE RAPID PACE OF MODERNISATION. THE  
SPECTACULAR INDUSTRIAL DEVELOPMENT IN  
NIGERIA. THE REQUIREMENTS OF INDUSTRY:  
OF PLASTIC ENGINEERING, AND AGRICULTURE,  
OF CHEMICAL ENGINEERING, AND THE  
TYRE INDUSTRY, ETC.EACH DEPENDS ON THE STRENGTH OF  
PETROLEUM... AND ITS BY-PRODUCTS. THAT  
MEANS NNPC.IT IS NO EXAGGERATION. WE ARE THE PIVOT  
OF NIGERIA'S ECONOMIC GROWTH.

# NNPC

Pillar of Nigerian Economy



The Igbini thermal power station in Lagos.

## Waging 'Wai' Against the Indisciplined

LAGOS — On a wall in the Ministry of  
Finance in Lagos hangs an example of Nigeria's  
latest attempt to discipline itself:

"Lateness to work is indiscipline.  
Jumping over the queue is indiscipline.  
Sleeping on duty is indiscipline.  
Noise-making in the office is indiscipline.  
Leaving office without permission is indiscipline."

Romance in the office is indiscipline.  
So don't be anti-wai. Let us put a little order  
into our lives... By order, chief of staff, supreme  
headquarters."

Wai, or war against indiscipline, is being  
waged on every front, from office propriety to  
the public execution en masse of armed car  
robbers, from the tearing down of street traders'  
kiosks to the secret military trials of corrupt  
officials of the last regime. If lapel badges and the  
proliferation of organizations — banks, boy  
scouts, government departments, the water ser-  
vices, perhaps even the secret society of traffickers  
in naira — that have launched their discipli-  
nary campaign is anything to go by, wai is  
already one of the successes of the regime of  
General Muhammad Buhari.

The skeptics recall that even the former president,  
Shehu Shagari, was against corruption with his  
"ethical revolution" and that many officers from  
previous military regimes have set up businesses  
and bought large homes that could not have been  
paid for out of a soldier's remuneration. But the wai  
target goes further, and it is aimed at inefficiency  
in the political and economic system — although it is  
often difficult to draw the line between inefficiency  
and corruption.

The corruption in the last days of the Shagari  
government was so staggering as to be barely

believable. In the upper echelons of the presidential  
advisers, who controlled state contracts, the going  
dash — bribery — rate was as high as a third of the  
contract price, be it rice, construction or oil.

What makes the ordinary Nigerian particularly  
angry is not so much that the money was taken  
from foreign contractors, but that it has not been  
invested at home. In the eyes of Nigerians, the corrupt  
officials are guilty more of lack of patriotism than of  
milking the expatriates.

All the while, Nigerians are watching the parade  
of state governors, senators, party officials, local  
councillors, down to the lowest level of "arrangers" and  
customs officials being charged under various military  
decrees. So far eight of the 19 former state governors  
have been tried by special military tribunals. Last month,  
Adamu Atta, the former governor of Kwara, got six  
concurrent sentences of 21 years for official corruption  
and abuse of office. He has been ordered to repay 2 million  
naira, and 42 former Kwara legislators were ordered to  
repay 40,000 naira each.

Certainly, an added incentive in the government's  
attempt to put Umaru Dikko, the former minister of  
transport, on trial was the fact that all the governors and  
"big men" sentenced up to now have been southerners.  
Mr. Dikko, a northerner, would have alienated criticism  
that the northern-dominated, Hausa-Fulani, Supreme  
Military Council was biased.

Mr. Dikko, who is living in London, was the victim  
of a kidnapping attempt there on July 5. The Nigerian  
foreign minister, Ibrahim A. Gambari, has said that the  
Buhari regime was giving priority to building a corruption  
case against the former minister to speed his legal

extradition from Britain. Mr. Gambari also has said that  
the military government considered Mr. Dikko, who has been  
accused by the Nigerian government of looting millions of  
dollars in public funds while in office, as its public enemy  
No. 1.

The internal naira squandering of money has been as  
serious as that of foreign-currency dealings. The Sunday  
Triumph newspaper reported on a contractor who collected a  
77,000-naira "mobilization fee" for the construction of a  
100,000-naira town hall in Kuta, in Niger state. Even then  
he failed to get it built. Niger's military governor, the  
radical Lieutenant Colonel David Mark ordered the contractor's  
arrest and the freezing of his bank account. In similar cases,  
courts or governors have ordered that the job be finished,  
the money paid, or presumably that the non-deliverer go to  
prison. In Plateau state, 2 million naira in unpaid taxes are  
being collected from slow payers like state ministries and  
parastatals.

The naira currency change in May was aimed at  
soaking up billions of actual notes abroad in London, Niger  
and Benin, and more especially in Saudi Arabia, the biggest  
naira market in the world outside Nigeria, with 60,000  
Nigerian Muslims a year on the hajj pilgrimage to Mecca.

Can the soldiers get to the root of corruption, punish  
the wrongdoers, encourage the honest and creative, make the  
savings, while its popularity lasts? Or is corruption so  
widespread that no one is above suspicion? As a writer in  
The Punch, a Nigerian publication, said: "The discipline  
has eaten so deep into our society that if they want wai to  
succeed they should kill every Nigerian from the age of three  
upwards: that will give the nation a fresh start."

— DENIS HERBSTEN

## 'Political System' Remains

(Continued From Previous Page)

strongly disagree with Brigadier Idigbon. They argue that  
Nigeria's recurrent socio-political instability and growing  
economic depression are the consequences of operating in an  
"ideological void." The end, they say, has so far been  
affected by the means — or lack of it.

More outspoken than any group on this matter is the Left-leaning  
Academic Staff Union of Universities (ASUU). In a series of  
lengthy statements published since this government came to power,  
ASUU has insisted that Nigeria's problems derive from a  
"neo-colonial" political outlook and a "dependent capitalist  
economy."

While the military government might have benignly ignored  
ASUU's repeated calls for radical socio-political and economic  
reforms, it is showing increasing concern over radical elements  
within its own rank and file.

Twice since the soldiers came to power six months ago, the  
army chief of staff, Major General Ibrahim Babangida, has  
publicly warned military officers that "this government will not  
tolerate undue radicalism."

Thus, perhaps for the first time since the 1966 coup by the  
radical majors in January 1966, radicalism has become an issue  
in the Nigerian armed forces.

Repeated claims that the December 31 military coup was a  
strike to pre-empt a radical officers' power bid has equally  
repeatedly been denied by government spokesmen.

Still, the earlier impression has persisted, occasionally  
enlivened by the private confession of fear by some key military  
men that if this government should fail, the alternative would  
be a radical, presumably leftist younger officers' takeover  
that would certainly not be a tea-party.

Some analysts feel that this "fear" might have led the present  
government to introduce many tough, sometimes draconian  
measures that may well meet with the approval of the so-called  
radical officers, but not the bulk of the civilian population.

For instance, the controversial Decree Number 4 of 1984,  
which has already sent two senior journalists to prison for one  
year each, is believed by well-informed sources to be an attempt  
by the government to respond to the radical officers' displeasure  
with the Nigerian

press. Whether such displeasure is real or perceived is hard to  
tell. But observers point out that the "special tribunal" set up  
under decree to try journalists accused of "false publication" is  
made up of three young officers of major's rank, plus a civilian  
judge.

But for the majority of Nigerians, the concern is not limited to the divergent ideological  
postures of the present "moderate" military regime and the  
intellectual left. Rather it is a return to the search for a  
solution to Nigeria's cyclical political instability.

As early as January this year, there were some wild, if not  
widespread, suggestions that the military should straighten things  
out quickly and get on — as soon as six months.

Such calls might have ignored the nature of the Shagari stable,  
and the volume of housecleaning that the military embarked on.  
But there is little doubt that, the failure of the last democratic  
experiment notwithstanding, enlightened Nigerian opinion would  
like to see an early end not only to military rule but frequent  
military intervention in government.

This was essentially the message that a high-powered delegation  
of Catholic bishops conveyed to General Muhammad Buhari in a  
highly publicized visit in June. The cleric pointedly told the  
military that "it would not be in the lasting interests of our  
nation to confirm the impression that we cannot rule ourselves  
well through elected leaders."

Many without political axes to grind identify with the bishops'  
stand that "the urgent task ahead is to prepare and identify a  
new breed of public-spirited and honest politicians to whom we  
shall eventually entrust our nation..."

For its part, the military government's leading spokesmen, mainly  
General Buhari and Brigadier Idigbon, have made it clear that  
the administration is too involved in the priority tasks of  
economic revitalization and "housecleaning" to give any thought  
now to the question of its civilian successors.

If the state of the economy inherited from the toppled civilian  
government is any guide, the government is unlikely to begin to  
give attention to political succession before 1988, when former  
president Shehu Shagari would have completed his second term.  
Still, already there are glimmers

## CONTRIBUTORS

DENIS HERBSTEN, who traveled to Nigeria for the  
International Herald Tribune, is a London-based author  
and journalist who writes about Africa.

EDDIE IROH is the managing editor of The Guardian  
newspaper in Lagos.

DENNIS O. ODIFE is the managing director of  
Centre-Point Investment Ltd., a brokerage house, in  
Lagos.

MARTIN QUINLAN is Europe/Africa editor of the  
London-based Petroleum Economist.

PATRICK SMITH, the Lagos correspondent for Africa  
Economic Digest, also contributes to the British  
Broadcasting Corp.

ONYEMA UGOCHUKWU, a Nigerian journalist, is  
deputy editor of the London-based West Africa magazine.

that the government, while not concerned with a political program yet,  
has given thought, albeit a fleeting one, to the nature of its civilian  
successors. Speaking recently on his fortnightly radio program,  
"Matters of the Moment," Brigadier Idigbon indicated that politicians  
convicted in the present trial of economic offenders would be  
barred from holding public office in future. Already nine of the 19  
former state governors as well as a number of former top public  
officers have been convicted by special tribunals for "contributing to  
the economic adversity of Nigeria." They received sentences ranging  
from 10 years to 22 years in prison. More trials are going on.

To the Catholic bishops and many others, such relatively "little  
merits" as a ban on economic convicts represent a renewal of hope  
that, in the end, democratic politics will continue to be recognized as  
a sacred duty of service to the people.

For now, and perhaps a long time to come, however, the ruling  
Supreme Military Council has reminded Nigerians about the present  
political reality.

"The federal military government," said a council member, Naval  
Captain Ehim Uliwue, at a recent seminar, "does not pretend to  
be running a democratic system of government."



Checking sheet metal quality in Port Harcourt factory.



## Stringent Economic Measures Adopted by New Government in the 1984 Budget

By Onyema Ugochukwu

LONDON — Even before it was made public on May 7, commentators had taken to describing Nigeria's delayed 1984 budget as the most important in the country's history. The deterioration of the economy under the civilian administration had been so extensive that by everyone's assessment, very radical action was needed to check the decline and put the economy on a path to recovery.

Even the usually complacent administration of Shugu Shagari had recognized this, belatedly perhaps, judging by the drastic changes proposed in the budget he presented two days before he was overthrown in a military coup. The military administration that succeeded him since it gave the deterioration in the economy as one of its main reasons for intervening, was expected to go even further than he proposed, in order to bring about a quick restructuring of the economy.

The problems that the 1984 budget had to address were numerous, but all arising essentially from the decline of Nigeria into a one-commodity (oil) economy from the early 1970s. From 1974, oil exports started to account for over 90 percent of Nigeria's total foreign-exchange earnings, and up to 75 percent of all government revenues, providing the money for

ambitious public expenditure programs, which in turn provided the impetus for the unsustainably rapid expansion of activities in a highly import-oriented economy.

When oil revenue failed to accrue in the usual amounts following the glut in the world oil market from 1981, the Nigeria economy not surprisingly went into a steep decline, and the government's initial unwillingness to face the realities worsened the situation. By the end of 1983, foreign-exchange inflow had declined to about \$700 million a month, less than half the average for 1980. Foreign-exchange expenditure had also declined, but much more slowly, leaving the country with a backlog of trade payments estimated at between \$5 billion and \$6 billion.

Commitments entered into during the better years of 1981-82 had also kept government expenditures high, and in spite of its drastically reduced revenues, deficit financing had consequently increased sharply. And the effort to conserve foreign exchange through import restrictions had had a devastating effect on the domestic manufacturing industry, which depends on imported raw materials for up to 60 percent of input. Shortages of imported goods were widespread.

What needed to be done in the circumstances, had been the subject of protracted negotiations

from May 1980 with the International Monetary Fund, from which the country hoped to borrow up to \$3 billion over three years. Although the negotiations were still inconclusive by the end of 1983, the civilian government had proposed measures to achieve the IMF requirements. The military, having arrived in government, seemingly unprepared, adopted most of the measures proposed by the civilians, waiting until it would prepare its own budget. As early as January 3, the monetary policy guidelines, which lowered the margin by which banks could increase their lending as well as raise interest rates by two percentage points, was put into force, although it was earlier described as an interim policy.

Exchange controls were also tightened, and all imports were placed on license. The outlines of the budget were thus clear even before it was announced, but the measures still needed to be formulated into a comprehensive policy. In the event, the budget presented by General Muhammad Buhari was as stringent as had been expected. The government hoped through it to cut government expenditures, reduce imports, stimulate domestic agriculture, resuscitate and streamline local industry, stabilize prices and income and widen its revenue base. Given the economic situation, these objectives appear rather ambitious, but the government, preach-

ing sacrifice and self-reliance, seems determined to realize them.

Estimating its total revenue at 6.743 billion naira, the federal government budgeted total expenditures of 10 billion naira. Although the implied deficit, at 3.257 billion naira, is higher than that budgeted by the ousted civilian regime, it represents the more realistic assessment of Nigeria's financial situation and was accounted for by the fact that where the previous government had provided only 1.11 billion naira for servicing the country's debts, the military government provided a more credible 2.89 billion naira. The government actually cut the recurrent expenditure budget of its predecessor by 15 percent, and it proposes to hold capital expenditures at a lower level.

The allocation of the capital budget reflects, in the main, the new priorities, with agriculture getting 21 percent (826.8 million naira) and industry 13.3 percent (523.3 million naira), although the allocation to defense of 359 million naira, after a recurrent budget allocation of 569.2 million naira (to be used mostly in paying salaries of Nigeria's armed forces), seems a bit more difficult to justify. Reflecting the commitment to complete the Abuja project in a more rational way, the plan was allocated 250.3 million naira, or 6.4 percent.

In a bid to increase agricultural production,

the government proposes to use the River Basin development authorities to expand extension services to small-scale farmers, who will also benefit from easier access to credits and higher produce prices. Large-scale farmers, including foreign investors, are to be encouraged with incentives, the most important of which is a proposed amendment of the Indigenization Decree, to allow foreign investors in large-scale agricultural projects to own up to 80 percent of the equity instead of the maximum 60 percent allowed in other sectors.

The measures for encouraging local industry, however, are less clear cut, involving a carrot-and-stick approach. Apart from wanting to see greater industrial production, the government also wants manufacturers to use local raw materials, instead of the imported ones that currently account for a large part of the country's total imports. It also wants to widen its revenue base. While manufacturers are to be favored in the granting of import licenses for raw materials and spare parts, a ceiling has been imposed on how much may be imported each month. In addition, excise duty is to be charged on 400 items manufactured locally, instead of 68 previously excisable; and duties on raw material imports were generally increased.

In spite of the realism shown, the budget

appears to have been overly optimistic in its view of the foreign-exchange position. The government estimates total foreign-exchange earnings at some 8.796 billion naira, out of which 2.5 billion naira will be used to service external debts and 796 million naira put in reserves, leaving 5.5 billion naira for imports of goods and services. The 5.5 billion naira seems to be a gross underestimation of what is needed, judging by the level of imports during the first three months of 1984, which suggests a minimum of 7.5 billion naira. But the government is reluctant to borrow the additional 2 billion naira and appears to have given up hopes of being able to borrow from the IMF, with which it still disagrees on the issues of a devaluation, trade liberalization and cut in petroleum subsidy. Instead, it has been urging Nigerians to make more sacrifices for self-reliance, which in some ways may look like flogging the proverbial willing horse to death.

While the decision by OPEC at its recent meeting to increase Nigeria's oil production quota may improve the foreign-exchange situation, giving the government more room for maneuver, it seems inevitable that the government will have to face up to finding the money to finance a substantial balance of payments deficit.

## The Tortuous, Sometimes Contentious Route Toward Financial 'Respectability'

Special to the IHT

LONDON — Nigeria's offer in July of delayed repayment of trade debts to its insured creditors is the latest twist in the government's tortuous and often contentious route toward "financial respectability" — with or without the International Monetary Fund's seal of approval.

In the last two years there has been animated debate inside and outside Nigeria on who was to blame for allowing Nigeria's finances to slip out of control and on the best means of stabilizing a potentially disastrous situation. The financial crisis not only played a large part in the downfall of Shugu Shagari's civilian regime but has also had repercussions abroad — with exporters of the industrialized world in the forefront. Governments and multinational companies have been dragged into the debate but it has been left to the merchant banks of European and North American capitals to assess the problem and to provide guidance to both sides.

On the one side, the "triumvirate" of international banks, S.G. Warburg, Lazard Frères and Kuhn Loeb Lehman Brothers, provides advice to the Nigerian government, advice that has led to a \$2-billion refinancing in 1983 and a much larger offer to trade creditors in recent months. On the other side, stand those banks that finance projects and trade for their customers in Western Europe and North America, most prominently represented by names like Barclays, Bankers Trust and Chase Manhattan, whose collective opinion is vitally important to Nigeria's standing in the world of finance.

In recent months, the pressure has been mounting on Nigeria to conclude its much-discussed deal with the IMF — to which the major sticking-point has been the IMF's demand for a substantial devaluation of the naira. Putting itself in the forefront of this lobby has been the British merchant bank, Morgan Grenfell, which in March this year challenged the quality of the offer o creditors and seems set to continue playing an assertive role in assessing Nigeria's financial credibility.

At a business leaders' conference

on Nigeria held in London in July, Morgan Grenfell's assistant director, Philip Curry, spelled out the message bluntly. A deal with the IMF is necessary, he said, if Nigeria is to get the "certificate of respectability" it needs to continue normal trading.

Mr. Curry's words were music to the ears of the corporate directors present who feel that without the IMF medicine Nigeria will inevitably revert to the "bad old ways" of financial indiscipline.

So far, however, Morgan Grenfell has gone unheeded in Lagos, where it had already become unpopular enough with its tough negotiating advice to creditors like Unilever earlier this year. The bank was roundly rebuffed by the Federal Ministry of Finance announcement in May that it had taken away its mandate to raise finance for the new federal capital at Abuja — a mandate that has now passed to Samuel Montagu, another influential British merchant bank, albeit relatively inexperienced on Nigeria.

In the early 1980s, Morgan Grenfell had been among the most bullish banks on Nigeria and itself lead-managed project loans for the country in excess of \$1 billion. It may be some time before it finds itself repeating the experience.

With the problem of IMF "conditionality" still a major stumbling block for Nigeria's Supreme Military Council and financial managers, there is a critical need for the country to maintain its financial credibility in the meantime. So far this year the performance has been remarkably good, in terms of current trade payments, debt servicing and stemming the foreign-exchange hemorrhage that has traditionally occurred through smuggling and trafficking. A fillip was provided by the OPEC concession on July 11, increasing the country's oil production ceiling by 100,000 barrels a day, which, if extended over a year, will yield an additional \$1 billion of revenue.

By dint of necessity Nigeria has already undertaken — with the vital help of the "triumvirate" — some of the most complex financial arrangements seen anywhere in the world. At the London offices of Chase Manhattan, tens of thou-

sands of creditors' claims are being matched by computer against the information provided by Nigerian importers gathered in Lagos — a process that will lead to the issue of at least \$4 billion of promissory notes in the coming weeks.

The international debate on Nigeria's finances is likely to escalate the longer the country keeps the IMF at arm's length, and the divisions of opinion among the banks may become more pronounced.

Although Nigeria is not a big debtor in international terms, its membership of the Organization of Petroleum Exporting Countries

and the size of its internal market give it an authority and importance that cannot be ignored.

Bankers sympathetic to Nigeria's case have already come to terms with a scenario by which the country will impose its own austerity measures and enforce them with as much determination as the IMF might demand, including a downward adjustment of the exchange

rate of the naira that would amount to "creeping devaluation."

Much depends on the continuous application of consistent austerity, and in this process the role of Ministry of Finance permanent secretary, Alhaji Abubakar Alhaji, is currently seen as important. He knows the international financial institutions extremely well.

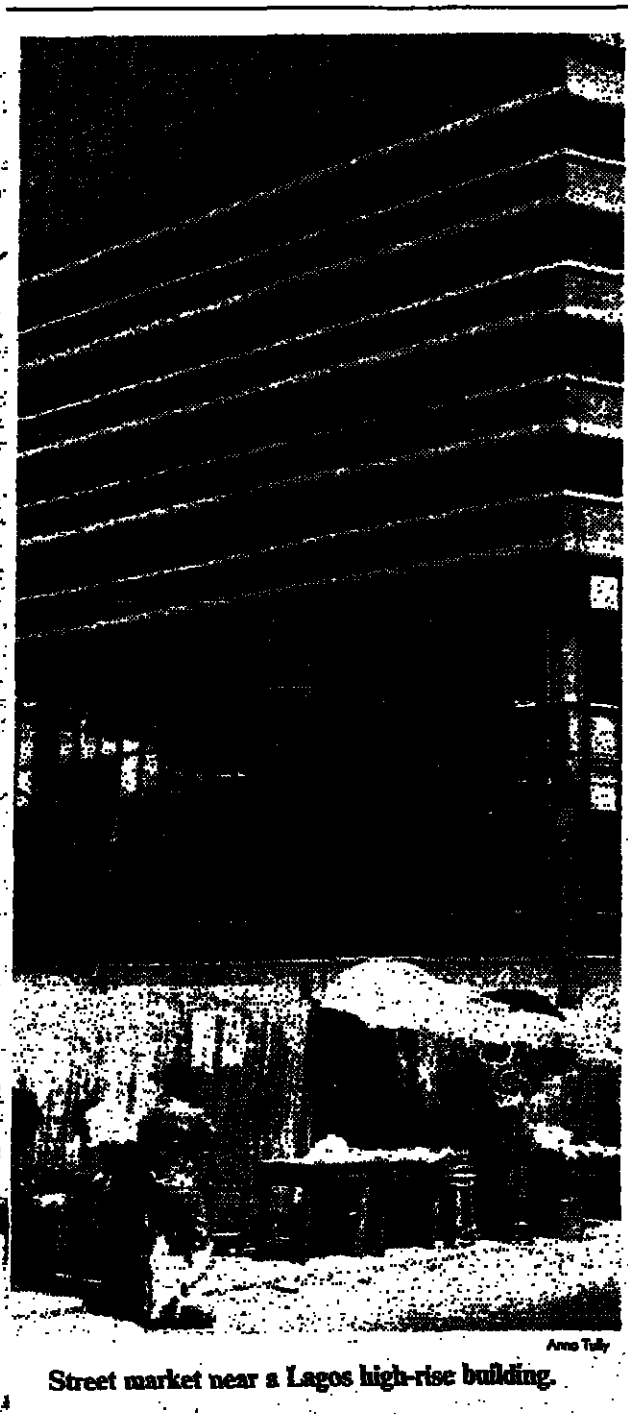
He succeeded in bringing Nige-

ria's case to the personal attention of the IMF's managing director, Jacques de Larosiere, in June, and although subsequently the IMF told Nigeria that its stabilization proposals were insufficient for a loan, the prospects of further progress between the two sides have not yet faded.

The crucial battle that Nigeria now has to fight is how to bypass the demands of export credit agencies that an IMF deal be reached before they will settle for a new Nigerian repayment offer. Nigeria has now shown its hand by last week's unorthodox direct approach to individual assured creditors. But the ingenious formula being worked out by the "triumvirate" may well get accepted through the persuasive powers of Abubakar Alhaji.

he Indiscipline

CONTRIBUTOR



Street market near a Lagos high-rise building.

heavy construction

systems

power & energy

telecommunications

**nifeco**

Creative Engineering  
dedicated to the nation's  
development

NIFECO is the Success Story of an  
indigenous Engineering Organisation

**nifeco**

**NIGERIAN FAR EAST COMPANY LTD.**

Development House (5th Floor), 21 Wharf Road, Apapa, Lagos, Nigeria.  
P.O. Box 645, Apapa. Phone: 874074/873485. Cables: NIFECOHSE, Lagos. Telex: 21201



## A SPECIAL REPORT ON NIGERIA

NIGERIA OIL PRODUCTION  
AND NET GOVERNMENT REVENUE

	Production (Million Barrels a Day)	Revenue (Millions of Dollars)
1980	2,066	23,405
1981	1,442	16,713
1982	1,292	13,086
1983	1,243	10,162
1984		
January	1,360	951
February	1,563	1,051
March	1,460	1,036
April	1,300	945
May	1,200	892
June	1,250	904
July	1,250	934
August*	1,400	1,062
September*	1,450	1,069
Fourth Quarter*	1,450	3,277
YEAR TOTAL*		12,121

\* Estimated forecasts.

Note: Net government revenues calculated from prevailing official selling prices and posted prices. Inland and local consumption assumed to be 200,000 barrels a day in 1980, 220,000 barrels a day in 1981 and 240,000 barrels a day subsequently, dropping to 150,000 barrels a day from April 1984 following moves to check illegal exports.

Source: Martin Quinlan/Petroleum Economist.

## Oil Boom Income Remains

(Continued From Page 7)

capacity — two newish 100,000 barrels-a-day plants at Warri and Kaduna and 60,000 barrels a day at Port Harcourt — the Nigerian National Petroleum Corporation was having crude refined on contract outside Nigeria. In the 1983 fourth quarter, 145,000 barrels a day was refined externally; this was cut to 110,000 barrels a day in the first quarter of this year, and as from April was cut again to only 45,000 barrels a day. The implication is that at least 100,000 barrels a day was being diverted to supply neighboring — and even not-so-neighboring — countries, and that a true measure of Nigeria's own oil needs, previously put at 250,000 to 300,000 barrels a day currently, would be nearer 150,000 barrels a day.

Two important implications follow. First, since OPEC's production ceilings apply only to production and do not take account of inland consumption, liftings and sales could be stepped up by 100,000 barrels a day or so. (As an extra bonus, any export sales of refined products that NNPC is now able to negotiate will be in addition to the OPEC ceiling, as OPEC's rough-and-ready rules do not take account of refined products, only crude.) Second, it seems clear that Nigeria's existing refining capacity will be sufficient to cover national

needs for some years to come. Previously, NNPC had been evaluating the construction of a new plant with a capacity of 150,000 barrels a day, which was seen mainly as serving the domestic market.

While the government can look forward to a moderate increase in revenue, the oil companies that produce Nigeria's oil are facing less encouraging prospects. In the late 1960s and early 1970s, Nigeria's oil had big attractions for, particularly, the U.S.-based refiners — it was more readily accessible than Gulf crudes, it gave a good yield of gasoline, and it was low in sulphur. The companies invested heavily in Nigeria, and production built up to reach a record 2.3 million barrels-a-day average throughout 1979.

But in the climate of the 1980s Nigerian crude has lost some of its former attraction. The oil companies now have substantial production from non-OPEC sources such as the North Sea, where costs are high but — because of favorable taxation — profits are faster. Also, they have been investing heavily in catalytic crackers at their refineries, to achieve good gasoline yields from heavier — which means cheaper — crudes. And plummeting freight rates have taken the edge off of Nigeria's proximity advantage compared to oil loaded in the Gulf.

The oil companies' heavy invest-

ments in Nigeria — Shell, Gulf, Mobil, Elf, Agip-Phillips and Texaco-SoCal all have equity interests in joint-ventures with the government's Nigerian National Petroleum Corporation — are therefore considerably underutilized. Fields and pipelines, with a capacity to flow a peak of 2.4 million barrels a day, have been operated at little more than half capacity for more than three years.

Despite Nigeria's financial difficulties, there has been progress of late with two major foreign exchange projects in the hydrocarbons sector. First, the government informed Shell that the scaled-down liquefied natural gas export project that it tentatively agreed with the civilian rulers is to be speeded up. (There could be difficulties, however, as Nigerian LNG will be costly and the gas market in West Europe seems comfortably supplied with cheaper pipeline deliveries.)

Second, the government let Foster Wheeler know that it is committed to bringing a huge petrochemicals complex — described as Africa's most important industrial project — on stream by 1990. Foster Wheeler, consultants to NNPC for the project for some 10 years, said money has been allocated toward the complex in the current financial year, necessary if the start-up target is to be met.

## The British Stake in Rescheduling Nigerian Debt

LONDON — The British Export Credit Guarantee Department, already suffering from debt crises in Latin America and Eastern Europe, will go even deeper into the red if a rescheduling agreement with Nigeria is not reached.

British exporters covered by the department for short-term debt arrears (up to six months) could make claims estimated at nearly £500, its French equivalent, COFACE, is thought to be owed at least £300 million, while Italian, Swiss, West German, Japanese and many other guarantee bodies also face large claims from exporters who have not been paid by Nigerian customers.

The credit organizations are constantly consulting with one another on the latest developments in Nigeria, acting, in effect, as a cartel. They are insisting that negotiations take place on a multilateral basis, thus reducing the chance of individual credit organizations' breaking ranks. But Britain, with the largest amount of money owed, is at the heart of the solution. Others will follow its lead.

So when last week Lagos made a direct approach to insured creditors, the ECGD was taken by surprise. The department has advised policy holders to neither accept nor

reject the offer until the various credit organizations agree on a joint strategy. But the department's initial reaction was that the offer — six-month promissory notes, a 30-month grace period — was unacceptable with the rate of 1 percent over Libor, the London interbank offered rate, deemed "stingy," even though it was backdated to January 1, 1984. The creditors have until the end of September to respond — enough time for a large-scale breaking of ranks.

Before Nigeria made its moribund offer, the credit agencies had worked out their own scenario, which remains their policy. The rescheduling of these guaranteed debts will be negotiated at the Paris Club, under the chairmanship of the French Treasury minister and according to rules laid down by the Organization for Economic Cooperation and Development, whose member countries dominate trade with Nigeria. But the Paris Club will negotiate only if there is linkage with an IMF loan. The credit guarantee agencies want Nigeria to agree to this loan in a letter of intent before the rescheduling meeting is held. And the terms of the rescheduling would come into operation only after the IMF agreement had been reached.

If agreement is reached, bank loans will be made by individual countries to the Central Bank of Nigeria to cover the period of the moratorium. In Britain, Barclays International has already set up a syndicate to cover the medium-term loan.

Lacking an agreement, however, the credit organizations, acting in unison, warn of a further tightening of short-term credits. This could be serious for Nigeria, which, though cutting back heavily on imports, has budgeted for continuing investment in some key industries for which exporters in industrialized countries supply machinery and parts.

The total amount of this short-term debt is a matter for conjecture. Chase Manhattan in London claims to have identified \$8.5 billion of arrears through 1983. The merchant bank S. G. Warburg, financial adviser to the Lagos government, has put the figure at close to \$5 billion, about three-fifths of which is claims by uninsured creditors, which have been settled on terms similar to those just offered to insured creditors. The rest is claims for officially insured exports.

In January, only weeks after the coup in Lagos, the ECGD sent let-

ters to 1,500 exporters inquiring whether they had been paid. Insured amounts usually range from £20,000 to £50,000, made up of raw materials, semi-manufactures and consumer goods. Not all the exporters replied, some no doubt because they feared their credit would be cut off altogether and others because the one-year period since default had not yet elapsed. (The normal period of six months was extended to a year when the Shagari government instituted a clampdown on imports in 1982).

Policyholders must not disclose that they are insured; as an ECGD booklet points out, "It is undesirable that the buyer should know that his supplier will be largely unharmed by any lack of diligence or good faith on his part."

The ECGD has gone into the red for the first time since 1954, when it took a bad knock in Brazil. Now Western countries and Japan are having to reschedule some very large debts — Poland, Turkey, Iran, Mexico — so cash flow is down. Some £850 million of British debts alone are held up in central banks around the world.

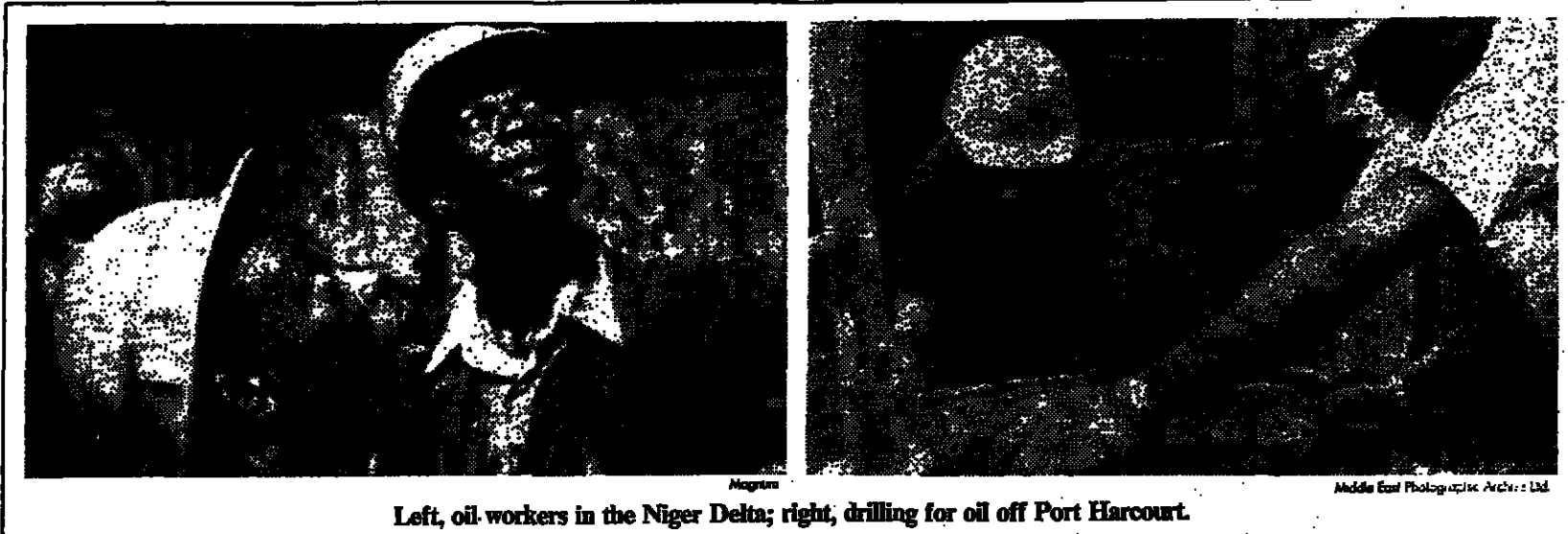
So that the ECGD, which operated in the black in all but two of the 64 years since it was founded, recently had to borrow money from

the Bank of England's consolidated fund in order to pay out claimants. The money is borrowed at commercial rates of interest. The level of claims for many parts of the world is likely to rise for several years and the ECGD is not expected to go back into the black before the end of the decade.

Until recently, Nigeria had been keeping up the repayments on medium-term contracts, which are the major capital projects, though not all are paid on time. Because of the arrears, however, Nigeria is now in the fourth or "D" category of risk countries, and exporters to it must pay the highest premiums.

Nigeria is also in danger of slipping back into the third category of countries, classified as "relatively poor," after a transitional spell in the second grouping. These categories relate to "consensus interest rates" — the rate at which commercial banks will lend money for medium-term project business that is guaranteed by an official export guarantee agency. The ECGD guarantees the loan by the bank to the borrower (usually a country or a Nigerian state) at an agreed rate, and makes up the difference between the commercial and the consensus rate.

— DENIS HERBSTEN



Left, oil workers in the Niger Delta; right, drilling for oil off Port Harcourt.

## Government Begins to 'Clean Up' Trade Sector

(Continued From Page 7)

prices, since with the severely restricted money supply traders were forced to sell goods at much lower markups. But inflation still remains the government's toughest problem as far as most Nigerians are con-

cerned. Immediately after last December's coup soldiers made sporadic efforts to force down prices by direct action in the marketplace. Such actions were routinely condemned by the Supreme Military Council. Since then each state has introduced a list of controlled prices, which government officials attempt to enforce with varying degrees of success.

For example, in Niger state any trader selling bread above the controlled price is arrested and then fined on the spot, but in Lagos when traders were ordered to sell packets of detergent for 60 kobo, they emptied out the packets into plastic bags and then sold the same quantity for two naira.

Despite repeated verbal attacks on the middlemen, profiteers have tackled this group relatively tactfully. When military governments in Ghana and Liberia tried to cut prices by force, the commercial class went underground and virtually paralyzed the official distribution system. According to the second highest official in the government, Chief of Staff Brigadier Tunde Idiagbon, the federal government's strategy is to encourage the use of other distribution networks — through the state governments, the trade unions and the consumer co-operatives. For some time most government employees have been able to buy essential commodities in bulk at controlled prices.

Nigeria's commercial classes have hit back at such proposals, saying that in reality it just adds more links to the distribution chain. The government has also encouraged the major trading houses and manufacturers in the country to start direct sales to the public. G.B. Olivani, a division of the United Africa Company, which is partly owned by Unilever, and the A.G. Leventis trading house have regularly held sales of rice and other commodities at the government-controlled price — which can be less than a fifth of the current market price.

While some manufacturers have also started direct sales to the public, others have complained that it is an unnecessary burden on their resources yielding no extra revenue. One expatriate director of a manufacturing company based in the north said, "We can all see that middlemen have made unwarranted profits in Nigeria and support any efforts to rationalize the unwieldy chain of so-called distributors between producer and consumer, but while we are producing at less than 30 percent of our installed capacity our main problem will continue to be supply, and the traders here are very quick to take advantage of the shortfall in supply."

Supply of commodities — particularly rice — continues to be one of the most contentious issues in the country. Many of the allegations against the fugitive former minister of transport, Umaru Dikko, concern his role as chairman of the presidential task force on rice importation. Some bankers in Lagos allege that certain politicians and government officials were earning more than \$1 million a day from commodity importation.

The government has tried to control these sorts of abuses by strictly

limiting the issue of import licenses, whereas, for example, previously individuals who had no connection with automobile companies were given licenses to import thousands of motor vehicles.

Most of the large trading houses say that since January the issuance procedure has been more equitable, with mainly the big recognized importers and distributors getting licenses.

The general level of imports into Nigeria are down by about half from last year's figures so far, and all imports are licensed, although the government's budget did not actually prohibit many more imports. The importation of small passenger cars has not been prohibited, but Nigeria's car assemblers say that no one has been granted licenses to import cars because preference is given to the needs of Nigeria's own car industry.

Very few luxury goods are now being imported legitimately, and as a result some of Nigeria's smugglers would appear to have gone upmarket now that foreign exchange is costing them so much to buy. After the government tightened up on various foreign-exchange disbursements through the Central Bank, the smugglers were forced to buy most of their foreign

exchange from the currency dealers, who, despite the currency exchange, will change a naira for between a third to quarter of its official value.

The currency racket is reflected in the spiraling prices for smuggled goods. In the last two years smuggled cigarettes have increased from \$1.50 a pack to \$3.50 a pack while smuggled liquor has gone up from \$10 a bottle to around \$25. The financial director of the United Africa Company estimated that revenue from smuggling could account for up to about a fifth of the country's annual gross domestic product.

But many manufacturers say the squeeze on foreign exchange together with the closure of the borders since late April this year have cut smuggling significantly. The battery manufacturers in Kano say that smuggled batteries now only account for about 20 percent of the Nigerian market, compared to about 50 percent just over a year ago.

Another effect of the continued squeeze on foreign exchange has been that more consideration is given to projects earning foreign exchange. Some enthusiastic Nigerians, encouraged by the success of industry in places like Kenya and Mauritius, suggest that Nigeria's infant tourist industry could be a substantial foreign currency earner. But cynics refer to the old joke about the American who arrives in Lagos airport and says to the immigration officer, "I am a tourist."

The officer laconically replies, "I can see that, but what are you doing in Nigeria?"

Certainly the historical riches of cities like Kano and the wilderness of the Yankari game reserve would have attractions for the unconventional tourist. But as yet there are very few commercialized beach areas in Nigeria that are likely to succeed in attracting the bulk of French and German tourists away from the beaches of Togo and Gambia.

But anticipating an increase in the number of business visitors at least, there has been a boom in hotel building. Three big hotel groups, including the Noga Hilton and Sheraton, have luxury hotel projects under way in Lagos, while two other luxury hotel groups are each building 300-room extensions. And there are three luxury international hotels under construction at Abuja, the new federal capital, and several other states, like Ibadan, Ganga, in the northeast of the country, are building luxury hotels.

At BCC the emphasis is on service, better service, in Lagos, in Nigeria, around the world. We have the know how, the international network and a special commitment to be of service.

We are a member of BCC Group which has offices in 68 countries with Capital Funds of US\$ 807 million and Assets of US\$ 12,300 million. Bank with BCC Nigeria, your local bank - serving Nigeria internationally.

**BANK OF CREDIT AND COMMERCE INTERNATIONAL (NIGERIA) LIMITED**

**BRANCHES IN NIGERIA:**  
Abuja, Ibadan, Lagos, Port Harcourt, Warri, Kaduna, Kano, Zaria, Enugu, Onitsha, Owerri, Umuahia, Calabar, Asaba, Benin, Warri, Port Harcourt, Lagos, Abuja, Ibadan, Kano, Zaria, Enugu, Onitsha, Owerri, Umuahia, Calabar, Asaba, Benin.



**WEMA**  
A GROWING BANK  
IN A DEVELOPING NATION

With a network of 32 branches and effective connections in most of the business centres of the world Wema Bank can offer you fast banking services within and outside Nigeria.

Challenge our skill; we welcome it.

**WEMA BANK LIMITED**  
(A member of the Odu's Group of Companies)

... For fast banking services.

52/54, Murtala Muhammed Way  
P.M.B. 1033 Ebute-Metta,  
Lagos, Nigeria

Telephone: 882686, 863110  
Telex: WEMABANK 26554 NG



## A SPECIAL REPORT ON NIGERIA

## The Questions on Unit Trusts Proposals

By Dennis O. Odife

LAGOS—News of proposals to establish the first unit trusts in Nigeria, 25 years after the establishment of the Lagos stock exchange, raises a number of fundamental questions. Why does Nigeria need unit trusts? What will unit trusts look like in Nigeria? Why has it taken so long to set up unit trusts in Nigeria? What are the likely problems and advantages and what role will the stock exchange and the capital market play in the process?

Established in 1959, the exchange received support in its formative years from the Central Bank and the Nigerian Industrial Development Bank.

The NIDB was established to promote new companies that would sell their shares on the stock exchange when they become profitable. As it turned out, the NIDB probably found that it depended heavily on the income from its successful investments to cushion the impact of losses from its less successful ones, and hence it has not pursued the policy of selling off its holdings in successful companies.

The government itself appears to be more committed to the idea of spreading the ownership of securities than in fostering a viable and independent capital market.

Partly as a result, and also partly from the reluctance of both indigenous and foreign businesses in Nigeria to use the stock market for raising capital, the number of securities quoted thereon remained small.

The market started with four securities in 1961. The number of quoted securities rose to 13 in 1970 and to 22 by 1972. It rose rapidly from 35 in 1977 to 93 in 1982 largely as a result of the Nigerian Enterprises Promotion Decrees of 1972 and 1977. These restricted the proportion of the ownership of Nigerian companies that foreigners could own, and several companies were directed to sell their shares to the public in a process that has not endeared the Nigerian capital market to them. The prices at which the shares were sold were determined by a federal government agency now styled the Securities and Exchange Commission.

The SEC disputes the claim that it deliberately set out to underprice securities, but it is known that

in a growth situation, its past performance-oriented formula was more likely to underprice than to overprice. Moreover, it had to rely on the profits reported by the companies themselves for tax purposes and the level of voluntary compliance for tax purposes in Nigeria has never been very high.

Today, there are 93 quoted equity securities in Nigeria, 22 industrial bonds, 4 preference shares, 59 government stocks and one state bond. In terms of value, government stocks represent more than 60 percent of the market capitalization of about 5.2 billion naira in 1984.

The structure of the holdings of the quoted equity securities is also instructive. A recent stock exchange publication reveals that 42 percent are held by foreign investors, 15 percent by Nigerian governments, 8 percent by Nigerian institutional investors and 35 percent by individual shareholders. Understandably, therefore, the volume of trading on the stock exchange is low (now 200 million to 300 million naira a year).

Official policy discourages speculation, just as the delivery system makes it impracticable. It takes at least three months to conclude a transaction starting from placing an order with the stockbroker to receiving the share certificate. Stockbroking is reserved exclusively for Nigerians. There are 16 stockbroking firms.

Why it has taken so long for unit trusts to develop in Nigeria? The pattern of the development of the Nigerian capital market has resulted in a system dominated by the government and the banking sector. Total banking system credit to the economy at the end of 1983 stood at 27 billion naira, of which the government sector took up nearly 56 percent. The bulk of the growth in the stock market has resulted from the indigenization process. Before then there was hardly a capital market worth writing about.

When the idea of establishing unit trusts in Nigeria was first considered by the federal government during indigenization it was as a joint venture with the International Finance Corporation, an affiliate of the World Bank. It was also hoped that a national unit trust program could take up any shares not subscribed by the public during

indigenization. It is understood that the idea was discarded, after extensive studies, on the grounds that there were not enough securities. Moreover, the capital market was able to absorb substantially all of the shares and the need to "warehouse" them in a unit trust never really arose.

Establishment of unit trusts has become attractive again, however, because it is now felt that there are adequate securities in the market. The official positions not clear. The SEC appears to take the view that unit trusts are not to be encouraged to the same extent as investment trusts because unit trusts do not create new securities. Such a point of view implies a misunderstanding of the nature of unit trusts.

Unit trusts are legal vehicles established to enable many small investors to pool their assets to enjoy the benefits of diversification and professional management without impairing the liquidity and safety of their investment. Because they are open-ended, unit trusts have the potential to create infinitely more securities than investment trust companies.

There are a number of problems to be resolved before Nigeria can adopt unit trusts. When Nigeria became independent in 1960, most of its laws were adapted versions of British acts. The Nigerian Companies Act of 1968 is essentially the British Companies Act of 1937. Section 393 of the act empowers the minister for commerce to license unit trusts. In Britain the framework for achieving this was set out in the Prevention of Fraud and Investments Act of 1958; unfortunately, when Nigeria became independent this act was not among those adopted. Hence there is no framework for the establishment and operation of unit trusts in Nigeria.

Indeed, not only is the framework missing, it is not clear who is to do what. For example, the SEC Act of 1979 empowers the SEC to approve the terms of any issue and to license unit trust managers. The Banking Amendment Act of 1979 includes management of unit trusts among functions to be performed by merchant banks. The Ministry of Commerce, on the other hand, feels that the licensing of unit trusts should be done by the Ministry of Finance. It is unlikely that Nigeria

will see any unit trusts until these issues are satisfactorily resolved.

The first step must be a framework for the establishment and operation of unit trusts to ensure investor protection, uniformity of disclosure and evaluation of performance. The British pattern of self-regulation is unlikely to be adequate and Nigeria will probably have to adapt the British Prevention of Fraud Investments Act of 1958, the U.S. Trust Indenture Act of 1939, the Investment Advisers Act of 1940 and the Investment Companies Act of 1940. The draft guidelines for the operation of the SEC in Nigeria cover a lot of ground in this area but are not approved by the government. The sooner the authorities act on this the better.

Other issues that must be resolved before unit trusts take off in Nigeria include their investment policy, the taxation of their income and capital gains, and who will invest in them.

As the laws stand in Nigeria, unit trusts will have a very restrictive investment policy. Their assets must be invested (except with the approval of the Joint Tax Board) in accordance with the Trustee Investment Act of 1962. This means at least 50 to 66 percent of the assets of the unit trust must be held in government securities now yielding 7 to 10.5 percent. In addition all securities must be invested in Nigeria.

The Exchange Control Act of 1962 precludes investment by foreigners in Nigerian unit trusts, and the NEP Acts restrict those who may invest in the units and what investments the unit trust can hold depending on who the unit holders or the managers are.

With regards to taxation, investment income in Nigeria is under a withholding tax at the rate of 12.5 percent for dividends and 45 percent for interest. Unless the unit trust has Joint Tax Board approval, its income will suffer from double taxation, which will reduce its attractiveness to investors.

It is also doubtful if, in the light of the low volume of trading on the Nigerian Stock Exchange, unit trusts will be able to invest the permitted proportions of their income in equities. Government securities will be no problem, as large quantities of these are available at all times.



## Why Savannah Bank is the International Bank you need.

Savannah Bank is unique and its international services are highly valued and respected by all who are in a position to appreciate the difference. As an affiliate of Bank of America NT&SA (one of the world's largest commercial banks) it is just a matter of course that Savannah Bank's world-wide network of correspondents can meet your international financing needs with speed and mobility. Ask our numerous customers and they will confirm

our reputation in the areas of foreign-exchange, import-export, corporate finance, loans and advances, and even more! There's no doubt about it, Savannah Bank has unmatched flexibility and speed when it comes to international banking. Which probably explains why Savannah Bank is the Bank you need for your international business. Write or call at any of our branches and get a taste of our unique international banking services.



Savannah Bank of Nigeria Limited

Affiliated with Bank of America NT&amp;SA.

Head Office: 9/11, Catholic Mission St, Lagos. Tel: 600470-9 (10 lines) Branches throughout Nigeria.

Savannah Bank — The Personal Service Bank

## Pressing for Workable Bankruptcy Law

LONDON — As the number of chronic debtors in Nigeria's business community grows apace, the country's bankers are pressing for a bankruptcy law that works. "Without it," says the president of the Nigerian Institute of Bankers, Aladiji S.A.O. Sule, "we have lower standards of commercial morality."

Mr. Sule said he was optimistic that the military government would act soon, "as they are keen to enforce discipline in our society."

There is a bankruptcy law on the books, issued as a decree in 1979. It is almost an exact replica of the British law enacted in 1914, with minor amendments. But one major difference has rendered the Nigerian version unworkable. The decree states that the official receiver should be the registrar of companies or his assistant.

The receiver is the person who handles bankruptcy proceedings under the supervision of the court. He must take over the bankrupt's property, see to its administration, pay off creditors and occasionally arrange for the bankrupt to be legally discharged and rehabilitated.

In Britain, official receivers are appointed from the ranks of independent solicitors or accountants, as government officials cannot find the time — or, in some cases, lack the expertise — to deal with the more complicated bankruptcies.

No outsider may do the job in Nigeria. Whether the bankruptcy is a multimillion-naira trading house or a market woman (the minimum debt must be 2,000 naira), all have to be dealt with by the registrar. The alternative would have to be for the commissioner (or minister) of commerce and industry to appoint a receiver in each individual case. So the law remains a dead letter.

To make the law workable, Mr. Sule said, the government must amend the decree to allow any competent person to be appointed an official receiver. After that, a special insolvency court would have to be set up.

Mr. Sule, who is managing director of the Nigeria Arab Bank, said the banking institute's 25 or so members, as well as the large trading houses, were "very voluble" on the matter. They are worried about mounting bad debts, especially as the recession worsens.

"Banking is still very profitable," Mr. Sule said, "but our profits for 1983 are down in real terms. There is also a backlog of foreign money coming in, but that will soon dry up. 1984 threatens to be a tough year."

As bankers see it, a bankruptcy law would add greater certainty to their provisions for bad debts. At the moment, they can refuse further credit or sue in the courts, a messy and time-wasting procedure that offers little prospect of recovering much of the money owed.

Though it is mandatory under the Banking Act for bank auditors to send a list of written-off accounts to the Central Bank of Nigeria, there is nothing legally to stop a wayward debtor from incurring debts elsewhere.

A new law would help counter this, Mr. Sule said. "If a man is declared bankrupt, it harms his standing in the community, his name appears in the papers, it is a warning to others to be more careful and more honest in their business dealings."

He said a distinction should be drawn, however, between debtors who were unable to settle through no fault of their own — because of delayed foreign exchange or a slow payer in another transaction — and those who refused to pay or had no prospect of being able to do so. It is in the latter cases, Mr. Sule said, that it would be better to write off the debts and have the person declared bankrupt.

"Very often we differ with our auditors over what is a bad debt," he noted. "We know our customers better than they do. Should we write off 50 percent of the debt or 100 percent? Some conservative auditors say, 'Let's write it all off and if it comes back next year that will be a bonus.' But a struggling bank will be less inclined to write off bad debts than a profitable one. You struggle to make 5 million naira and you don't want to be too realistic about reducing the profit by 4 million naira in bad debts."

Another area that bankers would like to see improved is the use of checks. Check-bouncing has become a scourge of Nigerian society, and again there is a law that has not been applied. The Dishonoured Cheques (Offences) Decree of 1977 is, in the words of Femi Adegbenro, head of the inspectorate division of the Savannah Bank, "in the cooler."

"People continue to issue dud checks with such reckless abandon," he says, "that everybody has lost confidence in the use of checks as a mode of payment." That is a distinct disadvantage in a time when, with the shortage of new naira notes since the currency change-over, workers are often paid in high piles of old, dirty 50-kobo notes (100 kobo equal one naira). It is an open invitation to thieves.

Mr. Adegbenro wants the Supreme Military Council to order entities such as the power authority, the post and telegraph office, Nigeria Airways and the federal and state governments to accept checks from companies and individuals. He would require all payments above 500 naira to be made by check and all companies would be compelled to accept them. The plan would have a dramatic effect on pilfering of cash by officials, though it would not solve the problem of bad checks.

— DENIS HERBSTEN



A traditional market scene in northern Nigeria.

IMB

## BANKING AND FINANCIAL SERVICES

AS THE LEADING MERCHANT BANK IN THE COUNTRY, OUR KNOWLEDGE OF THE NIGERIAN ECONOMY AND FINANCIAL MARKETS IS EXTENSIVE. OUR SERVICES INCLUDE:

## LOANS &amp; OVERDRAFTS

Arranging syndicated credits and providing direct term loans and overdrafts.

## TRADE FINANCE

Providing bills discounting, letters of credit, bills for collection, funds transfer and foreign exchange services.

## MONEY MARKETS

Dealing in deposits, commercial papers, bankers acceptances and other money market instruments.

## CORPORATE FINANCE

Issuing and dealing in common shares, debenture stocks and advising on mergers, acquisitions and financial strategy.

## FINANCIAL SERVICES

Managing investment portfolios, leasing machinery and equipment and providing general financial services.

## PROJECT FINANCE

Financing and advising on real estate, agricultural, industrial and related projects.

Our customers are individuals, companies, governments and other financial institutions. At IMB, we try harder to provide more efficient and innovative banking and financial services.

IMB

INTERNATIONAL MERCHANT BANK (NIGERIA) LIMITED

LAGOS:  
77, AWOLowo ROAD, IKOYI,  
P.M.B. 12028, LAGOS.  
TELEPHONE: 603340-7 603330-7  
TELEX: 21169

KANO:  
7/8, LAGOS STREET,  
P.M.B. 3426, KANO.  
TELEPHONE: 8580-8595

PORT HARCOURT:  
POINT BLOCK COMPLEX,  
P.M.B. 6195, PORT HARCOURT.  
TELEPHONE: 332443, 332613.

Affiliated with  The First National Bank of Chicago.



## A SPECIAL REPORT ON NIGERIA

## Lagos Diary

*'Items like milk, sugar, coffee are disappearing from the shops and teabags are harder to find than beer. The naira is overvalued, and with police and military roadblocks becoming a way of life, things are not as free and easy as before.'*

By Denis Herstein

LAGOS — If there is any doubt that the good times are over, just pass an evening at the Kano club, where British and other expatriates play golf and 19th-hole alongside the locals.

Many have lived in the north for decades, expecting to see their time out in Nigeria. But now import license problems and the extreme shortage of raw materials, coupled with the slowdown or termination of so many construction projects, are turning business life into a graveyard.

More and more European men are without their wives, having sent their families back to the Continent.

Ordinary items like milk, sugar, coffee are disappearing from the shops and teabags are harder to find than beer. Sugar wholesalers to the trader at 25 naira a 50-kilo bag, only to be sold in the market at 10 naira a kilo. And whisky has gone from six to 25 naira a bottle. The naira is overvalued, and with police and military roadblocks becoming a way of life, things are not as free and easy as before.

But, my interlocutor across a table of empty glasses said, the "most savage blow" has been the halving of hard-currency remittances allowed to expatriates. Few companies can make up the difference offshore. Now it is really difficult to maintain a home in Nigeria and in Europe. Small wonder that the number of Britons in the country has dropped by half to 6,000, and that the French and the Italians, and the Indian schoolteachers are leaving in droves. The remittance reduction, the golf captain said, will sort the true lovers of Nigeria from the "softies."

The United Africa Company, the very essence of British commercial life, will have lost half its 140 Britons by the end of the year. So in a country of nearly 90 million, the former colonial power will be minutely represented. That compares with the 50,000 French in the Ivory Coast, with a population of only a few million. But then who can blame Nigeria for not wanting to allow 110 percent repatriation of foreign company profits?

One good thing about the exodus is the effect on rents. These days, instead of having to pay three years in advance, you can even rent on a monthly basis. A three- to four-bedroom house on Ikoyi or Victoria Island, the most desirable addresses in the capital, cost 3,800 naira a month at the official rate. Last year it might have been 5,000 naira.

Elsewhere, life is easier for the occasional visitor — and that, one has to admit, because it is getting yet tougher for the Nigerians. Taxi drivers invariably declined my locally priced asking rate. Clamoring past clerks and market women, I tried to raise some sympathy by proclaiming that "I'm a white Nigerian." And hotels now actually hang up a notice at reception saying "We have rooms and

would be happy to give you one." Fewer power cuts, no special queues for alhajjis or chiefs at the airport, a discipline brought on by the austere military and the decline in the economy.

Spare a thought though for two men who have done their professional duty and yet find themselves in prison. Tunde Thompson and Ndaka Imabor, of Nigeria's young but already flagship newspaper, The Guardian, are in prison for a year for predicting — among other things — who the London high commissioner was going to be. It is widely believed that the man they named was not appointed because of that publicity, so that the alternative, General Halim Rana, ironically became the scapegoat for the expulsion following the kidnapping attempt in London of Umaru Dikko, the former minister of transport.

Ironically, because the sentences meted out to The Guardian journalists under Decree Four were severely criticized by the Nigerian press. But just in time, Mr. Dikko came along to restore unity to the irate medium. I know we journalists are always feeling sorry for ourselves, but these two fellows now live in a cell with 15 political prisoners in Kirihi, Lagos. And the decree was passed after the commission of their "offense."

I should have thought that if the military leaders wanted to root out corruption and inefficiency they needed all the help the press could give them.

Departure from Kano International Airport these days is a nerve-wracking interlude. First, the checkpoint on the way from town. The soldier, much the worse for drink, seized on a fruit knife belonging to a young British aid worker whom I was giving a lift. Bought in the Sudan, it had accompanied him in and out of Nigeria several times. The soldier was hanging on firmly with the arm that held the knife as he waded through my bag with the other free limb. I said "receipt please," but he pretended not to understand. We insisted, and in the end, ungraciously, it was restored to its rightful owner.

Inside the airport the graft has gone. But now police, customs, immigration, security people lay down quite a gauntlet. The man ahead of me at the last body/bag search had batteries removed from his torch and matches from his pocket, presumably for reasons of security. A searsucker Japanese businessman almost missed the plane trying to regain two company checks. An American was reprimanded for declaring five naira notes when he had eight (you may take out 20).

For the first time in my life, my wallet was searched. The security man read the introductory letter from this newspaper asking that the reporter be rendered "whatever assistance he needs to carry out his work." Is this going to stop currency smuggling? I doubt it.

## Agriculture Declines Despite Advances in Yields

DAMBATTA — When Mallam Hashim first adopted improved agricultural techniques on his eight hectares (19.7 acres) in northern Kano his fellow villagers asked him why he had given his farm away to the state. "Now they can see with their own eyes that my crops are growing so much better than theirs," he said, "they want me to write their name in the book."

The "book" is the statewide agricultural development project launched in Kano at the beginning of 1982. Since then, there have been some promising, even dramatic, improvements in crop yields in farms selected to demonstrate advances in the use of seeds, sprays, fertilizers and planting methods.

Following the decline of oil revenue, agriculture has been pushed even more to center stage by the military officials in Lagos. Before them, with the slogans, "Operation Feed Yourself" and "The Green Revolution," other rulers had attempted to avert the folly of a nation of 80 million putting all its eggs into the oil basket.

But now the figures tell the sorry story. In the early 1970s, agriculture made up 80 percent of export earnings; today, it is down to 2 percent. The sector's share of the gross domestic product fell in the same period from 45 percent to 22 percent. Yet, four persons out of five still depend on the land for their livelihood, and food imports — \$228 million worth in 1971 — mainly cereals, sugar, milk and live animals, are nearly \$3 billion in 1982.

But the concern of the government is not simply to reduce as much as possible the present food import bill of more than \$3 billion; it is to get people back to the land, and, most important, to improve crop yields, as well as the quality of rural life. In short, it is to make the farmer a person to be respected in Nigerian society once again.

The Agricultural Development Projects (ADPs) is a smallholders' plan worked out between state governments

and the World Bank. While the projects still have a long way to go, the experiments in two states, Bani and Kano, provide grounds for optimism. Now, with ADPs about to be launched in eight southern states, the World Bank operation will cover the whole country, (except for Lagos State) amounting to two-thirds of Nigeria's cultivable land.

The unique aspect of the Kano project is that it is run entirely by a foreign company, Masdar of Wokingham, England. On January 1, 1982, the state department of agriculture's 2,000 employees overnight found themselves working for Masdar — and by all accounts will be pleased to do so for some time. But the date for the conclusion of the Masdar contract and the start of the payment of the World Bank's \$142-million loan is set for January 1987. By then, the 42 expatriates and the scores of Nigerian extension officers hope to have turned 430,000 conservative farmers into highly motivated progressive food producers.

To spread the gospel in the Dambatta zone of the state, extension officers have begun with a village demonstration program, concentrating on 15 farmers in each of 440 villages. Kabiru Ali, Dambatta's deputy chief agricultural coordinator explains, "We show the villagers improved high yield varieties of the main crops — millet, sorghum, cowpeas, groundnuts — as well as improved management, like closer planting, thinning, insecticides, top dressing."

Thus, farmers do not like seed-bed fertilization, because it goes against the grain to put it on empty land. They like to see something come up first. But they are now impressed to see the difference between sorghum and millet, which at the half-way stage are two fists higher than the non-seed-bed fertilized plants.

The biggest breakthrough has been with cowpeas, the legume known in the West as black-eyed Susan. Its center of origin, the place where it was first discovered, is in a belt of savannah running through Kano State. The British ignored

the cowpea and subsidized the groundnut. But the cowpea is high in protein, making a change from the cereal-dominated diet. The villagers make a breakfast cake from cowpea called kossay.

Kabiru Ali said: "Cowpea cultivation has been revolutionized by a new spraying device, the electrodyn, which has no moving parts, and as no water is needed, can be hand-held and no longer has to be carried on the back, as was the old pesticide. It sprays accurately, and is cheaper to the farmer. He pays 100 naira for the sprayer at the KASCO (state-run) shop in central villages, and the pesticide costs about 80 naira a hectare."

"Whereas before farmers' yields were no more than 300 kilos a hectare, with the new spray they are up to 1,500 kilos. Cowpeas earn them 1,000 naira a ton. The other leg of the cowpea revolution was an early crop variety of seed developed at the Ahmadu Bello University's institute for agricultural research."

In the case of cereals and groundnuts, Kano farmers are shown methods of intercropping — growing different crops in adjoining strips, a procedure that has contributed to noticeable yield improvements.

This year, the Kano project has taken on rice. Mike Bullen of Masdar explains the potential: "Rice cultivation is hard work, but herbicides can reduce weeding considerably. This country is not even getting one ton a hectare, yet our tests have yielded 5 tons. If we can get it up to an average of two and a half tons, then they don't have to import rice."

Nigeria buys some 600,000 tons of rice — from Thailand and Pakistan — at a cost of about \$150 million. There is a serious debate within the Supreme Military Council about reducing, even eliminating, rice imports.

— DENIS HERSTEIN

## As Time Presses, a Call for Revamping Industry

LAGOS — The decision of the executive director of the Manufacturers Association of Nigeria, U.A. Eleazu, to quit his organization this year and join a consortium to process industrial chemicals is a fair indication of the state of Nigerian industry. "I have grown tired," Mr. Eleazu said just before his resignation. "Of telling people that unless Nigeria's industries are restructured according to available local resources, the sector will go from crisis to crisis. We have to act now."

Just as Mr. Eleazu followed his own advice — his company in eastern Nigeria will process a number of much-needed chemical compounds for industry — several other leading firms in Nigeria are planning similar projects to provide their own raw materials.

The chairman of the Nigerian associate of Lever Brothers, Michael Omolayole, said his company is now working out arrangements with a merchant bank to develop raw materials by reactivating some run-down oil palm plantations. "Local plantations could supply three-quarters of the country's vegetable oil needs if properly run," Mr. Omolayole told journalists recently.

Two major food processors, Cadbury and Nestlé, are planning large-scale maize cultivation projects to provide maize starch, glucose and associated products. There is a huge demand for maize byproducts from Nigerian industry, which present yields cannot satisfy. The pharmaceutical industry will require 500,000 kilograms of maize starch next year merely to hold production at its current low level.

The last few years of import controls and increasing restrictions on foreign exchange seemed to have brought about a rethinking among manufacturers in Nigeria. "I don't think there is a company in Nigeria," said the Nigerian managing director of a Lagos-based company, "that hasn't thoroughly replanned both its production and marketing

strategy from the shop floor upward. Although the government has no choice but to ration foreign exchange available to industries, one hopes we may see the end of the bogus manufacturing companies set up on the back of the oil boom. The danger is that the level of austerity is such that some well-managed and efficient companies may go down with them."

There are signs that several efficient small-scale Nigerian companies with no access to foreign-exchange credits through associated companies overseas will not last the year out. And as the bigger established companies seek to diversify their operations, bankers in Lagos predict there will be a spate of mergers and takeovers and that generally Nigeria's rather dull capital market is due to get a lot livelier.

Deprived of the lucrative commissions on foreign exchange business, banks in Nigeria are looking for new areas of operation. For example, the Chase Merchant Bank, the local affiliate of Chase Manhattan, has just established a venture capital company to fund local resource based industrial enterprises for a period of up to 10 years after which time the industries would be expected to raise funds through the Nigerian stock exchange. Apart from this, a number of merchant banks are currently arranging finance for agro-allied industrial projects, two of which are backed by major oil companies in Nigeria who want to diversify their investments in the country.

While bankers favor the large-scale maize-growing projects, other agro-allied industrial projects are finding it harder to get funding. Tunde Oshimide, company secretary of Arewa Textiles, owned by a Japanese and Nigerian consortium, said the company is so short of raw cotton to spin, they are now considering investing in cotton production. "But it's becoming hard to get farmers interested in cotton when they can earn much more growing maize, which

is less labor-intensive," he said. "Somehow the textile industry has to provide the incentive to Nigerian farmers to grow more cotton. We obviously can't import all our import needs, but at present local production only satisfies about 20 percent of the demands of the industry."

So far, Arewa Textiles has not had to retrench any of its workers although in the last two years production levels at the Kaduna factory have fallen from 80 percent to just over 30 percent. "We have lost nearly a thousand of our workers through natural wastage and as we are running short of spare parts we are cannibalizing old machinery to keep the newer looms going," he said.

The positive side to the foreign-exchange squeeze is that local raw materials processors are getting orders from companies that previously had not known of their existence. The Nigerian Institute for Social and Economic Research (NISER) found that 700,000 tons of Zircon sand suitable for the foundry industry were being dumped in central Nigeria while companies elsewhere in the country were still importing thousands of tons of the sand.

While such industries as textiles, leather and rubber products as well as the agro-allied and food processing industries could take a significant amount of their raw materials from local sources, makers of soaps, detergents, pharmaceuticals, machinery, electrical and automotive products are likely to be heavily import-dependent for several years yet.

A local industrialist, Gamaliel Onosode, is a fervent supporter of long-term planning and has recently chaired a committee reviewing major ongoing projects in the country. "We need long-term planning to convince people that we can't industrialize overnight, but that our development must be coordinated according to available resources," he said.

— PATRICK SMITH



## FIRST CITY MERCHANT BANK LIMITED

Our name First City Merchant Bank Limited (FCMB) may be new to you, but we have been very much around for quite sometime now. We know the Nigerian market very well and the market knows us well too.

Under the name of our predecessor and main promoter, CITY SECURITIES LIMITED (CSL), we have made our mark as far as Capital Issues, Project Finance and Loan Syndications are concerned.

Encouraged by our success so far, we have obtained banking licence and expanded our services to cover the full range of activities of a fully fledged Merchant Bank listed below:

## CORPORATE FINANCE SERVICES

- Capital Issues (Public and Private of Debt and Equity)
- Syndicated Loans
- Investment and Financial Advisory Services
- Portfolio Management

## TREASURY AND FINANCIAL SERVICES

- Current and Time Deposits
- Negotiable Certificates of Deposit
- Short Term Securities Issues
- Bankers' Acceptances
- Funds Management
- Bills Discounting

## OPERATIONAL SERVICES

- Letters of Credit
- Collections
- Funds Transfer
- Foreign Exchange
- Correspondent Banking

## BANKING SERVICES

- Medium Term Loans
- Tender and Performance Bonds
- Guarantees
- Leasing

We also provide management for our associated company, City Securities Limited, and its wholly owned subsidiary, CSI, Stockbrokers Limited. The activities of these two companies have now been extended to cover the following non-banking financial services — Stock-broking, Underwriting of Capital Issues, Registrar's activities, Confirming House services, Trustee services, Hire Purchase and Investments.

If you are planning to do business in Nigeria, why not make us your first port of call? You will be taking advantage of meeting with a Group that provides, under one roof, the most comprehensive banking, financial and investment services in our custom-built offices at:



FIRST CITY MERCHANT BANK LIMITED

PRIM ROSE TOWER, 9th-10th Floor,  
17A Tinubu Street, P.O. Box 917, Lagos  
Tel: 660112, 660004, 662219, 661850  
Telex: 22912, 22913, Facity Ng

## When banking efficiency is essential in Nigeria, talk to IBWA



Choosing a bank with the combined qualities of efficiency and courtesy is no easy task.

With a balance sheet total of over ₦2 billion, approximately 2,000 members of staff, a network of over 50

branches, computerisation, and an impressive profitability record, IBWA knows what it takes to be efficient.

When it comes to banking services, size is usually not the key to performance. At IBWA

our commitment is to efficiency and courtesy, because we believe you have to practise what you preach.

Come and talk to IBWA today.

The efficient and courteous bank



AFRIBANK

INTERNATIONAL BANK FOR WEST-AFRICA LTD. Head Office: 94, Broad Street, Lagos. Tel: 664135, 662301, 663608, 663651, 663663











**Carl Lewis is chasing Jesse Owens's record four track and field Olympic gold medals. Having won the 100-meter dash, Lewis said: 'As far as I'm concerned, 60 percent of it is over.'**

# Retton Takes Gymnastics Title

**Mary Lou Retton** LH

Australia beat a U.S. team for the gold in the 4,000-meter cycling team pursuit.

U.S. cyclist Mark Gorski took the sprint final, and the U.S. equestrian team also won gold. Gorski and Nelson Vails had been guaranteed gold and silver medals in the first all-American final ever in the cycling event.

Gorski won straight heats in 10:49 seconds and 10:45; Vails defeated Tsutomu Sakamoto of Japan for the silver medal.

The U.S. equestrian team won the three-day team event, edging the Britain, 186-189.2. In the individual competition, New Zealander Mark Todd, riding Charisma, won the gold, beating American Karen Stives aboard Ben Arthur.

The U.S. basketball teams remained unbeaten, the men routing France, 120-62, and the women downing China, 91-55, and clinching a spot in the gold-medal game.

On the opening day of track and field, Americans Carl Lewis and Edwin Moses won as expected in their heats — Lewis twice in the 100-meter dash, Moses in the 400-meter intermediate hurdles.

(AP, UPI)

■ **Record Reported in 2,000**

Tatyana Kazankina of the Soviet Union set a world-best time in the women's 2,000-meter run Saturday in Moscow, clocking 5 minutes, 28.72 seconds for the seldom-run distance. Tass reported. The 2,000 is not an Olympic event.

At an all-comers meet Friday night in Eugene, Oregon, American Mary Decker had turned in a 5:32.7, bettering a 5:33.15 run last month by Briton Zola Budd, who figures to be Decker's chief competitor in the Olympic 3,000 in Los Angeles.

## Baseball

[illegible][illegible]

## Prost Wins West German Grand Prix

**HOCKENHEIM, West Germany (UPI)** — Alain Prost of France won his fourth grand prix race of the season, beating his McLaren teammate Niki Lauda by 10 seconds in Sunday's West German Formula One event.

Prost took control of the race of the 22d of the 45 laps and from then on was never threatened. Third place went to Derek Warwick of Britain, in a Renault, ahead of championship rival Nigel Mansell in a Lotus.

ATLANTA (AP)—Frank Robinson, who was on the verge of quitting earlier this season, was fired Saturday night as manager of the San Francisco Giants by team president Bob Lurie. Danny Ozark will take over as interim manager.

"It was no particular thing," said Duffy Jennings, a Giant spokesman, said of the firing. "It's been a disappointing season. Its time to see if another manager could bring some respectability."

## Historic Freight Takes Hambletonian

**For the Record**

**Stew O' Gold**, the 1983 3-year-old colt champion, beat Track Barron, a leading contender for the same award this year, by 1 1/4 lengths to win Saturday's Whitney Handicap at Saratoga Springs, New York. (AP)

**Loren Roberts** fired a 2-under-par 70 Saturday for a 9-under total 207 and a one-stroke lead after the third round of a PGA tournament in Memphis, Tennessee. Bob Eastwood, with a 68, was second. (UPI)

By Cathy Booth  
United Press International

LONDON — The eyes of the world may be on the Olympics, but they're not only looking at the sports venues. Europe seems every bit as fascinated by Los Angeles life — the tube and high crime, narcissism and sunshine.

The British are gobbling up every word about outdoor vacuum cleaners, \$98,000 chinchilla bedspreads and naked singles co-mingling in hot tubs.

Millions of Frenchmen have their noses pressed to the box watching female mud wrestlers and male body-builders on the beach in Venice, California.

In Rome, businessmen are dragging themselves to their offices with dark rings under their eyes, victims of watching an Olympics that doesn't start showing until 11 A.M. and finishes roughly four hours later.

The West Germans are assaulted by 18 televised hours a day of the stuff.

Everybody's conversant with smog, youth gangs in East Los Angeles and murderous local lunatics.

Moscow, which is boycotting along with most of the Eastern bloc, has made its distaste for the Los Angeles Olympics obvious, with the latest attack on U.S. "jingoism" — something the Europeans have noted too, although they have used the word "patriotism," and used it with awe.

Most have been seduced by the strangeness and wonder of Los Angeles.

Even the usually reticent Swiss succumb to what they are calling the "no-hangup" Olympics.

"One hundred eighty-three Swiss athletes are at this sporting spectacle, and California's sun and easygoing lifestyle has put them in a terrific mood," said the weekly *Swiss magazine Schweizer Illustrierte*.

"American optimism has been contagious. A warm friendship has

sprung under the California sun between guests and hosts."

British television has taken its documentary cameras for dips in hot tubs with naked ladies sipping daiquiris, snooped on cocaine parties and sped down 10-lane highways in convertibles, radios blasting Randy Newman's "I Love L.A."

The French newspaper *Liberation* has snooped into charge-it telephone sex and massage parlors, has watched the Olympics in a gay bar with hunky men and has reported on an impending catastrophe — causers short of ice cubes.

The papers are agog over children's clothes — a coat nearly \$400 an outfit, a gold-plated gun in its tank holster at Bijan on Rodeo Drive, signs that boast "nude furniture" (it's still stripped pine) — and U.S. patriotism.

Frankfurter Allgemeine Zeitung, one of West Germany's most influential newspapers, said it thinks the whole thing's great. Visitors who arrived fearfully discovered, to their surprise that "you can live here. . . you can breathe," said the paper.

It said the only smog they saw was from the roofs of skyscrapers.

Well, what about all that U.S. commercialism?

"In the world of dollars, in an edition of the Olympics defamed for its commercialization, there are thousands — hundreds of thousands — of people who are working for free. They've received a jacket, some maybe a walkie talkie," said Italy's Gaze Sport.

There are a few problems, of course, in the eyes of the European news media:

Water for \$1.50 a glass.  
Fleabag hotels at \$100 a night.  
The city's 1,000 murders a year.  
Police helicopters that swoop down on even playground fights.

"Hollywood" with its filthy streets, pimps, "learner-permit whores," teenage doo fiends and all kinds of "scuzz."

"Behind the glittering spectacle seethes the endless deserts of a multinational city," wrote the Viennese political writer Josef Profil. His depressing article covered Los Angeles' poverty and chaos among the city's refugee colony of Mexicans, South Americans, Chinese, Vietnamese, Kampucheans and Armenians.

"Out of the windows and doors blare the hits of the homeland, the only concession to America being the desire to make a buck — a fast-food stand sells 'kosh burritos,'" it noted.

There was no ignoring the violence preceding the Olympics, either — most of which played Page 1 in Europe under such 5-inch-high headlines as "Crazed Gunman Slaughters 20" and "Fear Grips Olympics," and reinforced most people's image of California as a place with an excess of madness.

ABC-TV's worldwide monopoly over Olympic coverage provoked not a few grumbles from Italians, Frenchmen and Britons starved for footage on their country's competitors amid the U.S. gymnasts, U.S. cyclists, U.S. swimmers...

"If it doesn't have Stars and Stripes all over it, America's ABC, TV... doesn't want to know," complained Ian Woodridge, one of Britain's foremost sportswriters.

The Russians charged that the Americans were using easy victories (obtained, of course, because the Eastern-bloc athletes are absent) to fuel a jingoistic fervor to propel President Reagan back into the White House.

But in Greece, the birthplace of the Olympics, the locals got exasperated with all the negative comments of their television commentators, who seemed to be looking for anti-American angles on everything.

"Forget the bigger ideology of hate," advised a Daily Kathimerini columnist.

"Eat a hamburger, drink a Coke, wear blue jeans and enjoy yourself the way billions of free people around you are doing."



Provided by White Weld Securities, London, Tel.: 623-1277; a Division of Financière Crédit Suisse-First Boston  
Prices may vary according to market conditions and other factors.

[illegible]

**For the Week Ending Aug. 3, 1984**

[illegible]

**Closing Prices Aug. 2, 1934**

[illegible]

Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%	Net	Price	Lm	Cur.	
Amst.	Security	%	Net	Price	Lm	Cur.	Amst.	Security	%												

[illegible]

1970-1971

حکومت من الامم











## NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coups	Price	Yield at offer	Price end week	Terms
<b>FLOATING RATE NOTES</b>							
Banque Paribas	\$150	perpet	3%	100	—	99.95	Over mean of bid and offered rates for 3-month Eurodollars. Callable at par each year starting in 1987. \$150 million issued now and \$50 million reserved for later. Commissions 0.75%.
Gilcor Overseas Finance Capital	\$250	1996	—	100	—	99.70	Coupon set weekly at mean of bid and offered rates for 3-month Eurodollars. Minimum coupon 5.42%. Callable at par after 1986. Commissions 0.50%.
Kingdom of Denmark	\$200	1999	—	100	—	99.45	Coupon set weekly at mean of bid and offered rates for 6-month Eurodollars, or at the offered rate for one week Eurodollars, whichever is higher. Callable at par after 1987. Commissions 0.75%.
Manufacturers Hanover	\$150	1996	—	100	—	99.62	Coupon set weekly at mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 5.42%. Callable at par after 1986. Commissions 0.50%.
Lloyds Eurofinance	\$150	1996	3%	100	—	99.62	Over 3-month Libor. Minimum coupon 5%. Callable at par in 1987. Floating bond operating in last 5 years will produce a 10-yr average life. Increased from 100 million pounds. Commissions 1.20%.
<b>FIXED-COUPON</b>							
C. Itoh	\$60	1989	13%	101 1/4	13%	100.13	Noncallable.
Gram Finance	\$100	1989	13%	100	13%	100.25	Callable at par after 1988.
Nippon Telegraph & Telephone	\$100	1991	12 3/4	99 3/4	12 3/4	99.13	Noncallable.
Investors in Industry	ECU60	1989	11	100	11	97.88	Noncallable. Increased from 50 million ECU. Int'l.
Primary Industrial Bank of Australia	ECU40	1993	11 1/4	100	11 1/4	98.13	Noncallable.
<b>EQUITY-LINKED</b>							
Toshiba Ceramics	\$30	1994	open	100	—	99.00	Coupon indicated at 3.5%. First callable at 102% in 1987 and redeemable at 105 in 1989. Convertible at an anticipated 5% premium. Terms to be set Aug. 7.

## Eurobonds Rally but Fears Remain

(Continued from Page 17)

percent on an equivalent basis. A Japanese government guarantee backs up the \$100 million of seven-year, 12 1/2-percent bonds from Nippon Telegraph & Telephone Corp. The issue ended the week at about 98.875, to yield 13 percent, compared with 12.58 percent on similarly dated U.S. Treasury paper.

The market for European currency unit bonds, glutted of late, remained subdued. The nine-year, 11 1/4-percent issue from Primary Industrial Bank of Australia dipped to about 98.125, for a yield of 11.60 percent. That compares with Friday's yield of 11.58 percent in the recent five-year ECU bonds from Investors in Industry, the British lender to small business.

Into the dollar floating-rate note market, parched recently, poured a 750-million deluge of new paper.

Three of the four new issues — Citicorp, Manufacturers Hanover Corp. and Denmark — carried the novel feature of weekly rate fixings instead of the standard twice-yearly adjustment.

Issuing houses hail this formula as a clever means of letting the buyer borrow on a weekly basis in the interbank market and receive interest on a three- or six-month basis.

Usually, interest rates rise as the term lengthens. On Friday, for instance, one-week Eurodollar funds were quoted at about 11 1/2 percent, while six-month funds were being offered at 12 percent.

The investor, of course, does not pocket all of the difference. The cost of financing the noteholding on a weekly basis erodes perhaps a third of the gap, one banker estimates.

Moreover, the credit markets occasionally go awry — as they did in 1980 and 1981 — and yank the cost of one-week funds over that of longer terms. That would spell losses for the noteholder borrowing on a weekly basis and receiving interest at a three- or six-month rate.

To guard against that threat, the Denmark issue calls for weekly fixings at either a six-month or a one-week rate, whichever is higher.

Bankers involved in the new note issues say demand is particularly strong from smaller European banks and from banks and other financial institutions in Japan and Southeast Asia. Some rival bankers contend that the novel notes are selling slowly. The complexity of financing noteholdings on a weekly basis does not appeal to many potential buyers, these bankers argue.

## U.K. Struggles to Measure Strike Cost

(Continued from Page 17)

tion at one of its five integrated works, primarily because it was unable to bring in iron ore and coal by normal routes.

Various other costs to the government arising from the strike, including social security payments,

the loss of income tax and national insurance surcharge payments, policing the strike and losses to British Rail as trucks take over coal transport, amount to \$13 million a week, according to Mr. Skeoch.

The strike has also lowered projections for the British economy.

Some analysts, assuming the strike will last until the end of September, have lowered projections of real gross domestic product for 1984 about five-tenths of 1 percent from previous estimates. GDP is the total value of goods and services, excluding income from investments abroad.

Britain's balance of trade on current accounts will suffer the equivalent of between \$589.5 million and \$1.44 billion, analysts predict, primarily because of the increased use of oil in power plants. Some of the oil is imported and the rest comes from North Sea production that would otherwise have been exported.

But analysts continue to predict the government will remain within its 1984 borrowing target of around \$9.5 billion and say that there is no measurable inflationary impact so far.

Private industry has been largely unaffected.

The cement industry, one of the largest private users of coal in Britain, says it was not feeling the strike to any great degree. A spokesman for Blue Circle Industries, one of Britain's three major cement companies, said the coal board had been able to continue supplying the company's coal needs, and stockpiles are averaging about seven to eight weeks.

## Japan Sees Little Gain in IBM-EC Pact

By Andrew Pollack

New York Times Service

TOKYO — The biggest winner from the European Community's antitrust action against International Business Machines Corp. is the Japanese computer industry. Since a settlement was announced last Thursday, however, there have been no victory celebrations here.

Some analysts and executives say the agreement will slightly help the Japanese industry. Others say it will slightly hurt the Japanese industry, or have no effect whatsoever.

But virtually no one says the Japanese will reap a great advantage in their war with IBM. Nor will the

European manufacturers gain much, for that matter.

IBM agreed in negotiations with the EC's executive commission to provide technical information about its computers sooner and in more detail. In the past, makers of devices to attach to IBM machines in Europe had to wait until the U.S. company shipped its product before making their own machines.

This process took up to two years and gave IBM a big advantage over European computer companies.

But experts here contend that IBM has escaped from its latest legal challenge virtually unscathed. While the company has made a promise to release more information about its products to help its competitors, the early reading is

that the information is not that significant.

"IBM is only releasing the superficial part," said Shigenori Matsushita, chief engineer of the information systems business group of Toshiba Corp. Receiving such information, he said, "saves time and saves effort, but it is not a mandatory factor for us."

An official of one major computer manufacturer here, who spoke on the condition that he and his company not be identified, was even more blunt. "The European Commission got nothing," he said. "It's nothing for anybody other than IBM."

IBM argued in negotiations with the commission that disclosing information on its products earlier

would benefit Japanese computer companies because they are now the main suppliers of computers and peripheral equipment that are compatible with IBM machines.

The main makers of IBM-compatible computers are Fujitsu Ltd. and Hitachi Ltd., both of Japan, and Amdahl Corp. of the United States, which is 49-percent owned by Fujitsu.

But analysts in Japan say the reference was a ploy by IBM to capitalize on anti-Japanese feeling in both the U.S. and European states, which is 49-percent owned by Fujitsu.

It also appears that the final settlement considerably narrows the scope of information that IBM is required to give out. The accord further stipulates that IBM will only give the information concerned to companies that are "directly engaged" in research and development, manufacturing or marketing in EC nations. That could exclude Fujitsu and Hitachi, which make their mainframe products in Japan and have them marketed by others in Europe.

The agreement between the EC and IBM will not have any effect on Fujitsu's business, a spokesman for the Japanese company said.

Some analysts said the agreement could actually hurt the Japanese computer companies by making the European companies stronger and less reliant on Japanese products.

Also, in order to obtain information from IBM, Japanese companies would have to give the company the same information in return, making the agreement a "two-edged sword," according to Tamizo Kimura, a computer-industry analyst with Yamachi Securities.

The most significant part of the settlement, some analysts and executives said, was the agreement by IBM to release certain information on its Systems Network Architecture, its plan for linking various computers and office machines together. The networking system has become a standard, and many companies have sought to use it in their computers so the machines can be sold to offices with IBM mainframes. IBM's agreement to release such information will make that easier.

But it could also aid IBM. Many European manufacturers, as well as Fujitsu in Japan, had backed another networking standard as an alternative to IBM's. IBM has also given some signs of support for the alternative standard, but by announcing that it will provide more information on its own system it could undermine the support for the alternative.

## Prices Rise on Interest Rate Hopes

By Michael Quint

New York Times Service

NEW YORK — U.S. credit markets have extended their rally, dominated by the belief that interest rates will decline further.

For the fourth straight day, prices rose and yields fell for Treasury notes and bonds on Friday. Some of the day's heaviest activity was in the note market, where Wall Street sources identified the World Bank as a buyer of an ex-

traordinary \$1 billion of the three-year Treasury notes scheduled for sale Tuesday. By late Friday, the three-year issue was offered by securities dealers with a yield of 12.34 percent, down from 12.47 percent a day earlier.

Eugene Rotberg, vice president and treasurer at the World Bank, declined to comment on the bank's investment practices or interest rate outlook. He noted, however, that the bank is an active manager of its \$10 billion to \$11 billion of dollar investments and that over the past several years the average life of its portfolio has ranged from three or four weeks to around 3 1/2 years.

Because the World Bank is one of the most active traders in the U.S. Treasury market, securities dealers said its huge purchases of three-year notes are likely to "disappear" from Wall Street as securities bought by a pension fund or insurance company.

Although prices rose Friday by smaller amounts than in the two previous days and there was an increase in selling by some speculators wanting to take profits, securities dealers said demand from investors and speculators remains healthy. The buying of notes and bonds is particularly remarkable, analysts said, because it is occur-

ing in advance of this week's Treasury auctions totaling \$16.75 billion.

"A lot of people are afraid of missing the rally and are buying before the auctions," one securities dealer said. "A tremendous amount of securities have left dealer hands over the past two weeks." Leonard I. Hess, an executive vice president at Gruntal & Co., said: "The change in psychology has been profound, and the belief that inflation will stay low is spreading."

Like many other analysts who expect the decline in rates to continue, Mr. Hess said the combination of weaker business-credit demands and slower economic growth will soon lead to a downturn in short-term interest rates.

So far, short-term rates have not shared in the declines in the long-term sector, largely because the overnight rate for bank loans in the federal funds market has increased gradually to about 11 1/2 percent. The 10.6-percent rate on six-month Treasury bills is also up a tenth of a percentage point in the past week and nearly a quarter of a percentage point since July 6. Thirty-year bond yields, meanwhile, have declined more than a quarter of a percentage point in the past week

and by more than a percentage point since July 6.

Employment data helped lift note and bond prices at the opening Friday, as traders concluded that the rise in unemployment to 7.5 percent pointed toward a less robust economy.

The Federal Reserve announced late Friday that business loans outstanding at large weekly reporting banks across the country, excluding bankers' acceptances, rose by a meager \$57 million to \$240.32 billion. After rising by about \$21 billion between Jan. 11 and July 4, business loans at large banks have increased by only \$546 million in the past three weeks.

The optimistic tone to the Treasury market has spread to the corporate sector, where declining rates and strong investor demand have led many corporate treasurers to dust off their long-dormant plans to sell notes and bonds. Among Friday's new financings were a \$455-million sale of zero-coupon bonds due from 1985 through 2009 by Allied Corp. The bonds were sold at various prices and yields through underwriters led by Salomon Brothers.

Other new issues Friday included \$100 million of Archer-Daniels-Midland Co. 13-percent debentures offered by Salomon Brothers at a price of 97.241 to yield 13.375 percent; \$150 million of General Motors Acceptance Corp. 12 1/2-percent notes due in 1988 offered by Morgan Stanley & Co. at a price of 99.73 to yield 12.71 percent; and \$50 million of Household Finance Corp. 12 1/2-percent notes due in 1989 offered by Goldman, Sachs & Co. at a price of 100.

Other new issues Friday included \$100 million of Archer-Daniels-Midland Co. 13-percent debentures offered by Salomon Brothers at a price of 97.241 to yield 13.375 percent; \$150 million of General Motors Acceptance Corp. 12 1/2-percent notes due in 1988 offered by Morgan Stanley & Co. at a price of 99.73 to yield 12.71 percent; and \$50 million of Household Finance Corp. 12 1/2-percent notes due in 1989 offered by Goldman, Sachs & Co. at a price of 100.

## Steel-Goods Firms In U.S. Assail Plan To Curb Imports

United Press International

WASHINGTON — U.S. makers of steel products say import restrictions would raise their already high steel costs and prevent them from matching the lower prices of foreign competitors.

Several of the companies, which make finished items such as pipes or tools, told a House subcommittee Friday that such curbs would make it harder for them to get the high-quality, reasonably priced raw material they say is only available from foreign steelmakers.

"The enactment of any steel-import quota would perpetuate and widen the existing discrepancy in our steel costs versus those of our foreign competition," said Robert Blinken of the Steel Product Manufacturers Committee. He said foreign steel was 20 percent cheaper than domestically produced steel.

A trade subcommittee is studying legislation that would limit steel imports to 15 percent of the U.S. market for up to five years.

## ESCORTS &amp; GUIDES

## INTERNATIONAL

## ESCORT SERVICE

## USA

Head office in New York  
30 W. 56th St., N.Y.C. 10019 USA

212-765-7896

212-765-7754

Local, National & International

MAJOR CREDIT CARDS AND CHECKS ACCEPTED

Private Memberships Available

This escorting service has been featured on the top & most exclusive Escort Service by EA & International news media including radio and TV.

## REGENCY

Worldwide Multilingual Escort Service

## NEW YORK OFFICE

Tel: 212-538-8027

& 212-753-1864

## USA &amp; TRANSWORLD

## A-AMERICAN

ESCORT SERVICE

ANYWHERE YOU ARE OR GO

1-813-921-7946

Free from U.S. 1-800-237-0892

Free from Florida 1-800-252-0892

well known welcome you both!

## LONDON

## BELGRAVIA

Escort Service

Tel: 736 5877.

## INTERNATIONAL CLASSIFIED

(Continued From Back Page)

## ESCORTS &amp; GUIDES

## CAPRICE

## ESCORT SERVICE

IN NEW YORK

TEL: 212-737 3291.

## LONDON

## BEST ESCORT SERVICE

TEL: 200 8585

## ARISTOCATS

London Escort Service

128 Wigmore St., London W.1.

All major credit cards accepted

Tel: 437 41 / 412

12 noon - midnight

## REGENCY

Worldwide Multilingual Escort Service

## NEW YORK OFFICE

Tel: 212-538-8027

& 212-753-1864

## USA &amp; TRANSWORLD

## A-AMERICAN

ESCORT SERVICE

ANYWHERE YOU ARE OR GO

1-813-921-7946

Free from U.S. 1-800-237-0892

Free from Florida 1-800-252-0892

well known welcome you both!

## LONDON

## BELGRAVIA

Escort Service

Tel: 736 5877.

## ESCORTS &amp; GUIDES

## PARK LANE Agency Escort Service

London & Airports. Tel: 01-470 4718.

## MUNICH "STARWOOD" Escort

& Guide Service. Tel: 089-46089.

## CHICAGO ESCORT SERVICE

Tel: 312 260

## LONDON TRULIE Escort Service

London 373 8649.

## LONDON ESCORT SERVICE

Tel: 402 0557

## LONDON STYLISH ESCORT Service

Tel: 01-266 1284

## VIRGINIA BEACH ESCORT SERVICE

Tel: 555-2555 (from 8

PM) 555-2555

## FRANKFURT "TOP TEN" Escort Ser-

vice. Tel: 069/55625, 2 pm-2 am.

## FRANKFURT - EXTRA Escort &amp; Travel

Service. Tel: 069 / 68 24

## DUISBURG/COLOGNE/ESSEN

Exclusive Escort Service. 0211-369720

## LONDON V.I.P. ESCORT AND GUIDE

Service. Tel: 76-38-04, 2 pm - 12

## NEW YORK CITY, NICHOLSON Escort

Service. Tel: 212-807 1756

## VIENNA ESCORT SERVICE

Tel: 54 70 55

## BE ESCORT SERVICE. Frankfurt Tel:

069-40428.

## BRUSSELS - CHANTAL ESCORT

Service. Tel: 02/520 23 65.

## DUISBURG/COLOGNE/ESSEN - SKA

Escort Service. Tel: 0211-369720

## FRANKFURT - EXTRA Escort &amp; Travel

Service. Tel: 069 / 68 24

## FRANKFURT "TOP TEN" Escort Ser-

vice. Tel: 069/55625, 2 pm-2 am.

As of August 1, 1984

**First Interstate Bancorp**

is pleased to announce the acquisition of

**Continental Illinois Limited**

and its change of name to

**First Interstate Limited**

(A Recognized Bank by the Bank of England under the Banking Act 1979)

First Interstate Limited  
162 Queen Victoria Street  
London EC4V 4BS, England

General Telephone: (01) 236-5292  
General Telex: 887010, 887019  
Securities Telex: 883646, 884661, 884662

J. J. Pinola, Chairman  
B. G. Willson, Deputy Chairman

**Executive Directors**

W. A. Page, Managing  
D. Gates, Managing  
P. J. Truffert, Managing  
E. D. Darras  
P.-M. Jacques  
D. G. Lord  
E. A. F. Rides

K. W. Cunningham, Managing  
M. D. Posen, Managing  
A. S. Willson, Managing  
P. L. Gersh  
C. E. Law  
A. A. Morante  
R. H. Waldman

**Principal Activities**

Securities Sales and Trading, Treasury  
D. Gates, L. Y. Crammond, K. L. Hall, M. Isherwood, S. McWhir, P. Savage, S. L. Siu, R. M. Thomas, J. D. Wyatt

New Issue Underwriting  
P. J. Truffert

Interest Rate and Currency Swaps  
A. S. Willson, K. St. J. Martin

Real Estate Finance, Trade Finance  
M. D. Posen, E. A. F. Rides, W. H. Adams, G. C. Morris

Corporate Finance  
K. W. Cunningham, E. D. Darras, P. L. Gersh, P.-M. Jacques, C. E. Law, D. G. Lord, A. A. Morante, R. H. Waldman, R. Cohen, I. H. Eistein

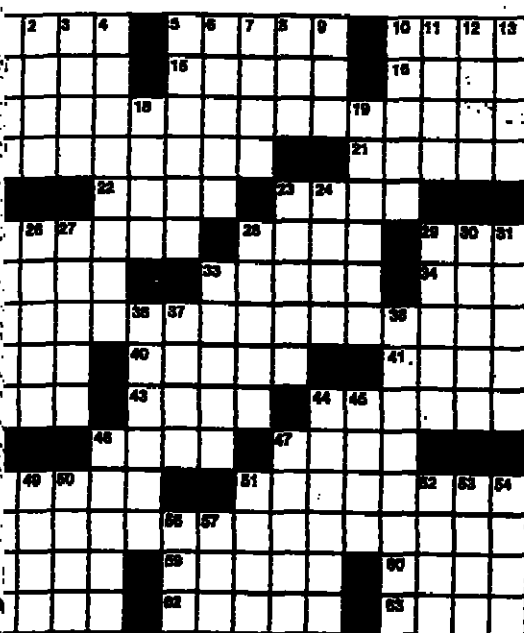
**Consolidated Balance Sheet**  
(audited at June 30, 1984)

Assets	£ 000's	Liabilities	£ 000's
Cash, balances at bankers, money at call and short notice	1,554	Share capital and reserves:	
		Share capital, authorised, issued and fully paid -	
Listed securities	9,267	8,000,000 ordinary shares of £1 each	8,000
Deposits with banks and finance houses	30,322	Retained profits	7,127
Loans and advances	17,183		15,127









**ACROSS**

1 Congers  
2 Mamba's cousin  
3 Arrived  
4 Whip part  
5 Noted  
6 Canadian physician  
7 Spoken  
8 D.C. advisory group  
9 Abstruse  
10 Cattle ropers' need  
11 Raton  
12 "The Forsyte"  
13 Secret  
14 Capitol feature  
15 M.I.T. room  
16 Type of estate  
17 Wings, in Le Havre  
18 Suffix for opal  
19 Book's condensed enumeration  
20 Ugandan name  
21 Warm-weather pests  
22 Roman fiddler  
23 Twilight, to  
24 Tennyson  
25 Balsams  
26 Drawer of a sort

**DOWN**

1 "Behold!" to  
2 Periods  
3 Timberwolf  
4 Illegal pitch  
5 Force  
6 Ancient Rome's port  
7 Certain union  
8 Ump's companion on a gridiron  
9 Dog talk, in comics  
10 Type of butter  
11 Of 12 Down: Comb. form  
12 Planet or war god  
13 In addition

46 Took a train  
47 Sped  
48 Gielgud or Guinness  
49 First and second, e.g.  
50 Pertaining to P.D. Stanhope  
51 Loathe  
52 Elevators, in Etan  
53 A Best  
54 Seasons in  
55 Soave, in poetry  
56 Atlas section  
57 Harvest  
58 "Behold!" to  
59 Periods  
60 Timberwolf  
61 Illegal pitch  
62 Force  
63 Ancient Rome's port  
64 Certain union  
65 Ump's companion on a gridiron  
66 Dog talk, in comics  
67 Type of butter  
68 Of 12 Down: Comb. form  
69 Planet or war god  
70 In addition

18 A city light  
19 Absorb, in a way  
20 Opera features  
21 So be it  
22 Bandleader Shaw  
23 He wrote "Peg Woffington"  
24 Type of fever  
25 Carrots  
26 Household-closet material  
27 Stupefy  
28 Blazing  
29 Exertion  
30 Fetid  
31 Produce  
32 Swift's "A Proposal..."  
33 Seed covering  
34 Pasadena parade feature  
35 Commonplace  
36 Tooth malady  
37 Friendly conversation  
38 Spot for a képi  
39 Switch positions  
40 de-camp  
41 Actress Turner  
42 Comb. form  
43 New Haven student  
44 Tim Tin

© New York Times, edited by Eugene Malachuk.

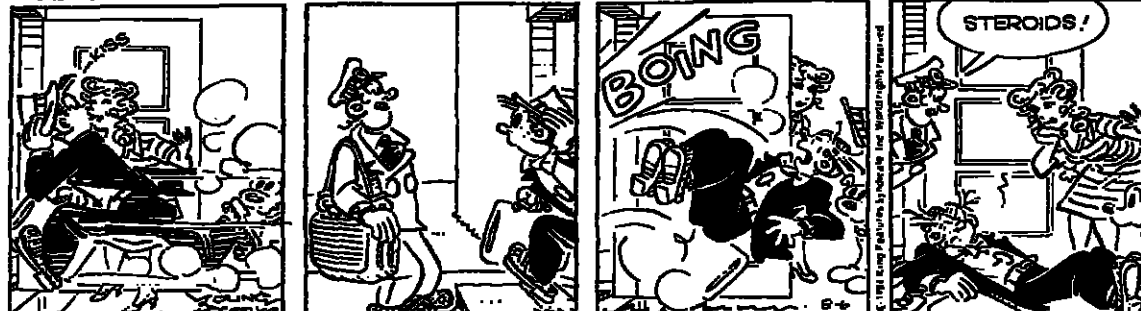
PEANUTS



BLONDIE



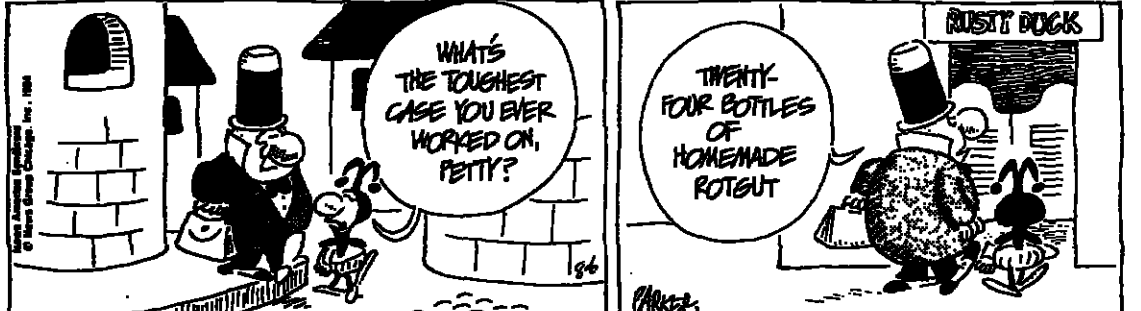
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

TOUGH GUYS DON'T DANCE

By Norman Mailer. 229 pp. \$16.95.  
Random House, 201 East 50th St.,  
New York, N.Y. 10022.

Reviewed by  
Christopher Lehmann-Haupt

"NOT until now have I been ready to confess that I am a writer," says Timothy Madden on page 11 of "Tough Guys Don't Dance," as if the reader might still be wondering who and what this protagonist of Norman Mailer's eighth and latest novel (including "The Executioner's Song") could possibly be.

But the reader is not wondering. One side effect of Mailer's having treated his nonfiction self so often as if he were the hero of a novel, is that a reader is now inclined to regard his fictional heroes as if they were none other than Mailer.

So what if Tim Madden is presented as the son of an Irish father and a half-Protestant, half-Jewish mother. So what if he has been in his time an amateur boxer, a chauffeur, a bartender and a prison inmate (for dealing cocaine). We know, we know: he is, as a familiar disclaimer assures us, a product of the author's imagination. Nonetheless, we read him as a stand-in for his creator to a degree that we do with few other American writers.

In a way, this resuscitates "Tough Guys Don't Dance" from total catastrophe. I don't think that under any other circumstances would we be willing to tolerate some of the excesses of this half-sketched tale of a man who wakes up one gray November morning in Provincetown, Massachusetts, to find a hangover in his head, a tattoo on his arm, blood all over the passenger seat of his Porsche and blankness covering much of his memory of the previous evening. We wouldn't put up with a plot whose suspense depends on the most suddenly and arbitrarily clearing from Madden's mind.

We wouldn't abide the awesome concatenation of coincidences, which are excused by the narrator with little more than fig-leaf phrases like, "If it strains belief?" "Well, I can hardly believe it myself" or, "How implausible this sounds, but, do you know?" and so forth. We especially wouldn't put up with the sudden almost mystical intuitions that guide Tim Madden past so much that threatens him.

But this is a world in which unique but familiar Mailerian laws obtain—a world of

telepathy and ego duels, of seances and spirits, of overpowering odors and debilitating psychic dreams, of angelic visions and the Devil's fundaments. It is the world that Mailer first brought powerfully to life in his novel "An American Dream," to which the present work is a first cousin if not a younger sibling—a world of sexual strut and violence inflicted on women, of phallic challenge and panicky fear of the void.

In it we encounter for at least the dozenth time the author's disdain for processed food, his contempt for plastic, his belief "that a man becomes a cop to be shielded from his own criminality," his theory that cancer is an objective correlative for psychic damage. We even re-encounter such favorite Mailer sayings as "Revenge is a dish which people of taste eat cold" and André Gide's "Do not understand me too quickly."

And, as usual, Mailer's characters keep busily warding off what Tim Madden, citing Freud, refers to as unruly attacks of homosexual panic. They climb phallic towers and boast of their prowess in bed. They cut up women with everything from orgasms to machetes. Yet paradoxically, homosexuals are granted license to be heroic, though few of those in the book end up anything but dead, presumably because they try to dodge their fates. (Tough guys don't dance.)

"I think about faggots and you know what I believe?" muses Tim Madden's father, very much the story's superego. "For half of them, it's brave. For the other half, it takes more guts to be queer than not. For the winners. Otherwise they marry some little mouse who's too timid to be a dyke and they both become psychopaths and raise whiz kids to play electronic games. Turn queer, I say, if you're a wimp. Have a coming-out party. It's the others I condemn. The ones who ought to be men but couldn't shoot the movie. You were supposed to be a man, Tim. You came from me. You had advantages."

Did I enjoy "Tough Guys Don't Dance"? On top of the faults I've already hinted at—its implausibility and strutting out of too familiar strategies and obsessions—one could knock it for being rushed, repetitious, all too nearly an unintended parody of itself.

And yet it has that charming Mailer bravado about it, a willingness to risk being foolish just for the sake of feeling alive. It is as if the author had taken to heart his hero's injunction to avoid "the stupefaction of those who never dare to come near to themselves." As Tim Madden says while struggling with his compulsion to climb the Provincetown Monument: "All I knew was that I must climb it. If I did not make the attempt, something worse than panic might befall me. Maybe I learned nothing else from those old seizures of terror in the middle of the night when I used to sit bolt upright in bed, but, at least, I gained (could I term it that?) some small measure of compassion for all who are afflicted by the compulsion to go out and do what is absolutely not to be done—whether it is the seduction of little boys or the rape of adolescent girls."

In Mailer's case, his compulsion seems to have been to perpetrate a potboiler. One is happy merely to consider that by doing so, he has avoided whatever worse thing he believes might have befallen him had he not done so.

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Friday's Puzzle

CHASM	AMISS
SHIITE	RADIOES
CHERRYSTONE	CLAM
RIMES	SEMI KOLA
ELIS	SUMAC MID
SOS	SNAPS TRONA
THESTAGE	SHINES
LACERATES	
PODUNK	ALASKANS
ABETS	STARE DAU
REV	STUCK REMS
CLIO	TARA CELIA
HUCKLEBERRY	FINN
SERIAL	TAMING
SABLE	ENATE

BRIDGE

By Alan Truscott

ON the diagrammed deal South landed as shown in four spades after East had bid both red suits and West had raised hearts.

The three-diamond bid by East served a lead-directing purpose, and his partner obliged by leading that suit.

When East won, he shifted to a heart and South had to make the crucial guess. Had East underlined the heart ace? Eventually he misguessed by putting up the king and was down one.

There would have been much to be said for this play if

dummy had not held the heart ten. Then South could reason that East would hesitate to lead from the queen.

As it was, there were conflicting indications. East's three-diamond bid seemed strong, but West needed some high-card strength for his raise. The diamond position was clear, with West marked with the queen. East had considered a falsecard of the ace but feared he would confuse his partner.

A subtle clue came from the opening lead. With queens in both red suits, West might have led a heart. With the heart ace he would prefer a diamond

since South might hold the heart king.

♠ A Q 8 5 3			
♥ 10			
♦ 6 5			
♣ A K 7 5			
WEST			
♠ J 9 2			
♥ A 8 7			
♦ Q 10 4 3			
♣ 10 6 3			
EAST (D)			
♠ 7			
♥ K 5 4 2			
♦ A K J 9 7			
♣ 10			
SOUTH			
♠ 10 8 4			
♥ K 6 3			
♦ 8 2			
♣ Q 10 4			
North and South were vulnerable.			
East	South	West	North
1♣	3♣	2♣	4♣
Pass	3♠	Pass	Pass

West led the diamond three.

Stable Prices, New Methods of Recovery Lead to Quiet Gold Rush in U.S.

(Continued from Page 17)

lands has more than doubled. Above all, the new American gold rush is focused on Nevada and Northern California, where the activity seems as intense as it was back in 1848, but without the uproar and publicity of the California gold rush, or the primitive methods.

"People used to discover gold with the prospector breaking up the material and putting it in water and panning for it," said Mr. Busby, referring to the use of a sluice or pan to mix water with ore and dirt until the heavier gold nuggets settled on the bottom.

The familiar image from America's past has disappeared, except perhaps for Walnut Creek, where tourists visiting a gift shop at the rehabilitated mine can purchase a pan and a bucket of "yellow dirt" and try out panning.

The new American gold mine is an open pit operation that has been so common a fixture in coal and copper country. And the chief mining tool is the huge, heavy-duty yellow ore truck, with its giant black tires, the sort of vehicle used in highway construction. It can carry 10 tons of dirt and ore in a single trip to a nearby refinery.

The vast terraced pits follow a gold-bearing deposit down into the earth. Homestake Mining Co., the largest U.S. gold producer, is developing such an open-pit mine, a mile long and a half-mile wide, in the Lake Berryessa resort area of the Napa Valley north of San Francisco.

Other breakthroughs in gold recovery owe more to chemistry than to heavy-duty equipment. Heap leaching, for example, an old trick for squeezing every last bit of copper from ore by washing it in a cyanide or sulfuric acid solution, now allows gold miners to move far beyond the pursuit of the nuggets and gold flakes that were the staple of the last century's mines. With chemicals,

even particles of gold too microscopic to see are recovered.

The huge capital investment for open-pit mining means that most U.S. gold production is in the hands of the biggest U.S. and Canadian companies, among them Homestake, Dome Mines, Newmont, Kennecott, Noranda, Hecla, Hanna Mining, Inco Ltd., Phelps Dodge and the mining divisions of such big oil companies as Standard Oil of Ohio and Pennzoil. Some, like Newmont, Kennecott and Phelps Dodge, are pushing into gold from other, unprofitable areas, particularly copper, that have been their specialties.

But it is the little fellow who is doing most of the exploration, and some of the mining, too, at small operations scattered across North America.

Mr. Busby's Goldsil Mining of Denver typifies the breed. The company was formed five years ago as a limited partnership of small investors, with Mr. Busby putting up \$1 million, the largest amount. Its drilling rigs sank holes in the West and in Canada in search of new veins.

The company finally found one, in Canada, and production is just getting under way in an open-pit operation. Meanwhile, to raise new money, Goldsil did what many of the thousands of other gold partnerships have done: It went public and its stock is traded over the counter.

The new confidence that the price of gold will remain well above production costs has set off gold booms in other countries, too. Canada is engaged in its biggest gold rush in years, particularly in the Hemlo region of Ontario, and production at Echo Bay Co.'s new Lupin Mine in the Northwest Territories is shooting up. Gold discoveries in the Amazon region have made Brazil a big power in gold production, pushing it past the United States in 1983 into third place in total production, behind South Africa and Canada.

"There's new interest all over the world because the sharp rise in prices back in 1979 and 1980 tended to spur exploration," said J.M. Lucas, gold analyst with the U.S. Bureau of Mines. "So you've got booms going now in places like Brazil, Australia, the Philippines and Peru, too. Just about everywhere these days there's a considerable interest in gold."

This gold rush is somewhat different from previous U.S. booms. The Alaskan gold rush of the late 19th century was set off by the Klondike find, with little regard for such niceties as production costs and profit margins. There was a flurry of activity in the 1930s, after President Franklin D. Roosevelt in 1933 fixed the price of gold at \$35 an ounce, a sudden jump from \$20. And gold production rose in the postwar period to a high of 2.3 million ounces in 1950, pulled along by the greatly increased mining for all metals in those boom years.

Through all those upturns, gold was valued as a form of money, a status it lost with the advent of floating exchange rates in the 1970s. Today's gold rush is driven entirely by the profit that mining companies see in taking gold from the ground at a maximum cost of \$200 to \$275 an ounce and selling it at more than \$300 an ounce.

That sort of profit potential appeared late in 1978 when the price of gold passed \$200 an ounce for the first time, and never turned back. It even shot above \$800 an ounce for a brief period in January 1980, driven in part by the Soviet intervention in Afghanistan. That set off the exploration and mine development that has pushed up American production from 964,000 ounces in 1979 to nearly two million, with most of that appearing in the last two years. Around 30 American mines have been opened this decade.

Despite the rapid production in-

crease, U.S. output still amounts to less than 5 percent of the world's total production, which rose from 39 million ounces in 1978 to 42.7 million ounces in 1982, the last year for which hard figures are available from the Bureau of Mines. But American production through 1982 represented the sharpest increase over a five-year period of any major producing nation.

Part of the industry's confidence about prices stems from production costs in South Africa, which provides 60 percent of the world's gold from old, deep mining operations increasingly more expensive to operate. That cost is now about \$215 an ounce and it is unlikely to fall below \$200 an ounce, even when evaluations of the South African rand push down production costs in terms of dollars, Mr. Busby said.

"When one country has that much of the market," he said, "what it costs them to produce the gold is going to determine what the rest of us are going to pay for it."

Oversupply is also a potential price depressant. Gold, in fact, is always in surplus. Only part of the output is needed for jewelry and industrial uses; the rest is held by governments and investors. As this surplus rises, the price tends to drop, until it gets low enough to set off a new round of buying, even in periods of high interest rates and a strong dollar. The trigger price, Mr. Nichols said, has turned out, so far, to be above \$300.

Much investor interest is focused on the numerous small companies that have appeared since 1980 to push exploration and to operate one or two small mines, usually in the West. Goldsil was one of these. So is Pinson Mining Co., a partnership of three Canadian companies, Rayrock Mines Inc., Sisco Metals Inc. and Lucania Mines Inc., and a handful of individual investors.

Here in the middle of the northern desert of Nevada, which produces more gold than any other state, half-way up a dirt road between the golden-named towns of Golconda and Mides, Pinson operates a highly successful small mine and mill that exemplifies many of the qualities of the new operators and the new gold technology.

Like many other U.S. gold mining operations, the Pinson mine is on ground that was worked before and all but abandoned in the 1930s as played out. But the rising gold price prompted new activity in 1980 and the newly-formed Pinson company started exploratory drilling.

"It's no secret that price decides everything," said H. Daniel Harper, a veteran uranium and copper miner who manages the Pinson mine and its 140 workers. "You can do a lot of mining at \$350 an ounce but if gold went down to \$100 you'd see a lot of mines go out of business, including probably our own."

The Pinson mine is an open pit operation named for a French prospector who worked these parts in the last century. It taps a lode about 100 feet (30 meters) wide that drops about 250 feet into the side of the Osgood mountains.

The lode contains about three million tons of ore with a grade of .093, or .093 ounces of gold per ton. It almost went undiscovered. The newly-formed Pinson company had drilled 17 holes without finding enough gold to justify mining. The 18th was to be the last and it struck the lode now being mined.

The high-grade ore from that lode is pulverized at the company's nearby mill to a powder as fine as flour, which is then soaked in a cyanide liquid that changes the gold chemically so that it adheres to an electrode insert in the solution, plating the electrode much as chrome plates metal. In the final production step,

the gold is melted off the electrode, which looks like steel wool, and formed into bars.

Pinson also has about 2.3 million tons of ore containing no more than .04 ounces per ton of gold. That requires the processing of 25 tons of ore to produce one ounce of gold, a process considered too costly until the advent of heap leaching and the rise in the price of gold in the 1980s.

Pinson now has three "heaps" consisting of about 90,000 tons of low-grade ore spread out to a thickness of about 15 feet on clay pads with gutters running around their edges. On these heaps, a solution of cyanide and water is sprayed through rotating nozzles. As the cyanide seeps down into the heap and penetrates the ore, it draws the gold out. The gold-enriched cyanide water runs into the gutters, where it is collected and pumped to the mill for processing into gold bars.

One of those bars, weighing 1,000 to 1,200 ounces, represents a week's work, as Mr. Harper likes to note, while holding the bar in his hands.

"It seems funny that this little thing can support 140 men for a week and provide a profit for the partners and pay all the taxes," he said. "It's quite concentrated."

The bar has been selling for \$370,000 to \$440,000. With a production cost of \$180 per ounce, fairly typical for the new mines that have opened in the West, the profit per bar is \$190,000 to \$220,000, a healthy return for Pinson's start-up investment of \$18 million and a mine life of at least 10 years.

That sort of return tends to stimulate some very enthusiastic talk.

"Gold is a phenomenon that has very little downside and nothing but an upside," said Mr. Busby of Goldsil, which has not sold any gold yet from the mine it is developing in Canada. "So do you think we're bullish on gold?"



## LANGUAGE

## The Politics of Gender

By William Safire  
WASHINGTON — At the Democratic convention of 1984, sex disappeared.

For some inexplicable reason, the word "sex" — probably from the Latin *secre*, "to cut, divide," and meaning the division into male and female — has been deemed too provocative to say out loud or to put into print. Not since Victorian prudish substituted *limbs* for *legs* — as in "primo limbs" — has euphemism held such sway.

Only a few years ago, the proponents of the equal rights amendment did not blush to stoke down discrimination "on account of sex." Now, however, sex is taboo. The new word to characterize maleness and femaleness is *gender*.

It has become useless to argue any longer that *gender*, in most Indo-European languages, is a grouping without human groups. In French, *le sexe* is a book and *la femme* is a pound, but that does not mean books are for men and pounds are for women.

Such defenses based on logic are now useless. The rush of references, from the podium to the pundit, to Geraldine Ferraro as "the first of her gender" to achieve nomination to the vice presidency has buried all organized resistance to the euphemism. Evidently the English language needs a word to be synonymous with sex and yet not seem sexy or sexist, and further resistance is pedantic.

What next? Since *gender* is more neutral than sex, what will *genderism* signify? Perhaps a raised consciousness of the need for equality, on that principle, *genderist* is the opposite of *sexist*, as we take the high road to glittering generalities.

GERALDINE A. Ferraro — that is her maiden name — prefers the honorific *Mrs.* However, many newspapers and magazines have stoutly resisted the adoption of *Mrs.* some because it seems like propaganda for the women's movement, others because it conveys less information than *Miss* (used when the woman is single, or is using her maiden name) or *Mrs.* (used when the woman is married or widowed).

To those publications resisting the privacy-protecting *Mrs.*, the Democratic vice-presidential candidate has asked that she be identified as "Mrs. Ferraro." Her reason-

ing is that *Mrs.* would indicate that she is single, which she is not, and *Mrs.* indicates that she is a married woman. But she is not *Mrs. Ferraro*. Her mother is *Mrs. Ferraro*. The Democratic candidate is the former *Miss Ferraro*, who is now *Mrs. John Zaccaro*, and who can also be described as *Mrs. Geraldine Zaccaro* or *Mrs. Geraldine Ferraro Zaccaro*. She has her choice of being known as *Miss Ferraro* or *Mrs. Zaccaro*, but not — on my way of thinking — as "Mrs. Ferraro, a person she is not."

You cannot simply decree, "Call me *Mrs.*, because I'm married, but use my maiden name, because I don't want to use my married name." On the contrary, no matter what politicians demand, writers of English should be consistent: The *Mrs.* goes with the married name, the *Miss* goes with the maiden name.

If *Mrs. Zaccaro* or *Miss Ferraro* can be called "Mrs. Ferraro," why can't her opponent, Mr. Bush, ask to be called "Mr. Lincoln"? *Miss Ferraro* is not *Mrs. Ferraro*, yet she gets the honorific she prefers.

That's not quite accurate: The honorific she prefers is *Mrs.*, and the *Mrs.* is to her the lesser evil than to appear in a photo with her husband identifying her as *Miss*, which does not quite fit in with traditional family values.

It breaks my heart to suggest this, but the time has come for *Mrs.* We are no longer faced with the theory, but a condition. It is unacceptable for journalists to dictate to a candidate that she call herself *Miss* or else use her married name; it is equally unacceptable for a candidate to demand that newspapers print a blatant inaccuracy by applying a married honorific to a maiden name.

That leaves *Mrs.* By using the title, as fuzzy as *Mr.* is to bachelors or married men, the person is saying, "This is the name I go by, and I'm using it on my husband's, and I may or may not be married." By accepting it, editors are saying, "This is what she styles herself, and you will have to find out elsewhere if she is married or if she started out in life with this name."

*Mrs.* is deliberately mysterious, but at least it is not deliberately misleading.

New York Times Service



A few of the dummies at Vent Haven, a small museum in Kentucky devoted to ventriloquism.

## Ventriloquist Dummies: The Last Word

By Charles Hillinger

Los Angeles Times Service

FORT MITCHELL, Kentucky — Ventriloquist dummies sit side by side on folding chairs, staring straight ahead, waiting.

But there will be no more performances. Ventriloquists who owned the wood, papier-mâché or plastic figures have died, retired or renounced them.

Their spirits live on at Vent Haven, the only museum in the United States dedicated to preserving the art of ventriloquism.

Vent Haven is the legacy of William Shakespeare Berger, wealthy president of a Cincinnati title company and lifelong ventriloquist. He began collecting the figures in 1916.

Some of the dummies date to the 1850s. Four floated ashore in a trunk from a ship wrecked off the coast of Texas. A ventriloquist, Will B. Woods, drowned in the accident in 1908.

Buzzi, a papier-mâché dummy, was found in the ruins of a house bombed by Allied

planes in Germany during World War II. Another ventriloquist, Charlotte Bern-Keller, and everyone in her family died in the bombing.

But Buzzi sits in his bow tie and tux on a folding chair, waiting.

Vent Haven is a mecca for "vents" — theatrical slang for ventriloquists — from all over the world.

Each year, a ventriloquists' convention is held there. Last year's gathering attracted 250 ventriloquists, several of them from outside the United States. This year's get-together was held in early July.

Berger, whose father was a Shakespearean actor, was president of the International Brotherhood of Ventriloquists for several years. Many of the dummies were given to him, purchased by him or willed to him by dying ventriloquists.

Dummies at one time filled every window of his two-story home, staring out at the world, until nervous neighbors objected that the figures were watching them.

To placate those with complaints, Berger

built three buildings at the back of his property to house his collection.

Whenever ventriloquists were anywhere near Fort Mitchell, they would drop in. Edgar Berger was a frequent guest at Vent Haven.

Berger has no heirs. When he died in 1972, aged 94, his estate was set up as a trust fund to maintain and operate the museum as a center for ventriloquists and an archival repository for the art form.

His will provided that a curator live rent-free in his furnished home. The current curator is Dorothy Millire, 52.

The collection includes more than 500 books about ventriloquism, some published as early as the 1700s, several thousand photographs of professional ventriloquists and original sketches done during the lifetimes of famous 17th-, 18th- and early 19th-century ventriloquists.

There are 200-year-old English Toby jugs with moving mouths, ventriloquists' paintings with mouths and eyes that move, talking heads on walking canes.

And there are the dummies, Buzzi and his friends, who are still waiting.

GREECE POSTCARD  
Samothrace Sanctuary

By Kerin Hope

Associated Press

SAMOTHRACE, Greece — On this windy island in the northern Aegean, U.S. archaeologists are piecing together the ruins of a sanctuary where, according to ancient historians, Alexander the Great's parents met for the first time.

A cluster of white marble columns, set against a wooded hillside and visible from far out at sea, marks the site of the summer festival of the "Great Gods."

The chronicles say King Philip II of Macedonia encountered Olympias, a strong-willed princess from western Greece, at the celebrations on Samothrace. They married in 357 B.C. and Alexander was born a year later.

Pilgrims to the sanctuary worshipped half a dozen "Great Gods" — a "Great Mother," a fertility god, a pair of demons and Hades, the Greek god of the underworld, and his wife.

"There was feasting, drinking, animal sacrifices and, for some visitors, initiation at a torchlit ceremony into a secret cult that was famous throughout the ancient world," said the excavation director, Professor James R. McCredie, who heads the Institute of Fine Arts at New York University.

More recently, the sanctuary was best known as the site where the Winged Nike of Samothrace, a late classical statue of the ancient Greek goddess of victory, was found. The lifesize figure, carved in marble with wings and swirling draperies, was carried off to Paris by a French diplomat in 1863 and now stands in the Louvre.

During more than 30 seasons of digging, the U.S. archaeologists have uncovered little more than half of the 540,000-square-foot (50,000 square-meter) site. This year they are exploring the enclosure where the Nike was found.

"We no longer think the statue was part of a fountain. It probably stood in the shelter of a small building," McCredie said.

Close by the enclosure was the Stoa, a colonnaded building 300 feet (100 meters) long, dating from the 3rd century B.C. The excavators believe it housed participants in the Great Gods mystery cult.

"It's the only building found so far that could have sheltered people," McCredie said.

Mountainous and still inaccessible in stormy weather, Samothrace is on the main sailing route from the Black Sea to the southern Aegean. The sanctuary was closely linked with ancient seafaring.

"A purple scarf given during the initiation... served as a magic charm to protect sailors and travelers from danger," wrote Professor Karl Lehmann, the first American excavator at the sanctuary.

Dressed in white robes, initiates joined a secret ceremony in the "House of Lords," a timber-roofed hall. It probably involved ritual dances and a re-enactment of the mythical rape of a fertility goddess.

But with time, ancient Greek politics came to overshadow religion at the sanctuary.

"It must have been a backwoods sort of place until the Macedonians got involved," McCredie said. "Then it became a symbol of their power and the chic place to spend a lot of money on buildings in the late 4th and most of the 3rd century B.C."

Diplomats from all over the Greek world were invited to attend the annual festivities. The sanctuary was replaced and elegant new buildings adorned with imported marble were erected to house the sacred rituals.

McCredie believes that Philip II, having found himself the most powerful man in Greece, demonstrated his political status as such buildings as the Temenos, a walled enclosure paved in marble, with an elaborate gateway decorated with marble carvings.

Philip controlled most of mainland Greece and was planning a military campaign in Asia Minor when he was murdered in 336 B.C. Alexander the Great then led his father's army on an empire-building expedition from Greece to India.

The most splendid structure of all was Queen Arsinoe's Rotunda, a round, marble-faced building put up in the 3rd century B.C. by a Macedonian queen who sought shelter at the sanctuary as a political refuge.

"The sanctuary remained in use all through the Roman period and was finally shut down in the 4th century A.D. after Christianity became the official religion of the Roman empire," McCredie said.

## ANNOUNCEMENTS

## SUBSCRIBE

## to the

## INTERNATIONAL

## HERALD

## TRIBUNE

## AND SAVE

As a new subscriber to the International Herald Tribune, you can save up to 42% of the newsprint price, depending on your country of residence.

For details on the special introductory offer, write to:

181 Subscription Department,  
181 Avenue Charles-de-Gaulle,  
92200 Neuilly-sur-Seine, France.  
Tel. 1-800-747-07-29

In ASIA AND PACIFIC  
contact our local distributor at:

International Herald Tribune  
1005 Tel. Singapore Building  
24-24, Montmorency Road,  
SINGAPORE.  
Tel. HK 5-289726

## DIVORCE IN 24 HOURS

Married or cohabited couples, low cost. No court or domestic violence. For information, send \$175 for 24-hour package. Includes: 1. Divorce papers. 2. Divorce certificate. 3. Divorce decree. 4. Divorce judgment. 5. Divorce settlement. 6. Divorce agreement. 7. Divorce petition. 8. Divorce answer. 9. Divorce motion. 10. Divorce hearing. 11. Divorce trial. 12. Divorce verdict. 13. Divorce judgment. 14. Divorce decree. 15. Divorce certificate. 16. Divorce settlement. 17. Divorce agreement. 18. Divorce petition. 19. Divorce answer. 20. Divorce motion. 21. Divorce hearing. 22. Divorce trial. 23. Divorce verdict. 24. Divorce judgment. 25. Divorce decree. 26. Divorce certificate. 27. Divorce settlement. 28. Divorce agreement. 29. Divorce petition. 30. Divorce answer. 31. Divorce motion. 32. Divorce hearing. 33. Divorce trial. 34. Divorce verdict. 35. Divorce judgment. 36. Divorce decree. 37. Divorce certificate. 38. Divorce settlement. 39. Divorce agreement. 40. Divorce petition. 41. Divorce answer. 42. Divorce motion. 43. Divorce hearing. 44. Divorce trial. 45. Divorce verdict. 46. Divorce judgment. 47. Divorce decree. 48. Divorce certificate. 49. Divorce settlement. 50. Divorce agreement. 51. Divorce petition. 52. Divorce answer. 53. Divorce motion. 54. Divorce hearing. 55. Divorce trial. 56. Divorce verdict. 57. Divorce judgment. 58. Divorce decree. 59. Divorce certificate. 60. Divorce settlement. 61. Divorce agreement. 62. Divorce petition. 63. Divorce answer. 64. Divorce motion. 65. Divorce hearing. 66. Divorce trial. 67. Divorce verdict. 68. Divorce judgment. 69. Divorce decree. 70. Divorce certificate. 71. Divorce settlement. 72. Divorce agreement. 73. Divorce petition. 74. Divorce answer. 75. Divorce motion. 76. Divorce hearing. 77. Divorce trial. 78. Divorce verdict. 79. Divorce judgment. 80. Divorce decree. 81. Divorce certificate. 82. Divorce settlement. 83. Divorce agreement. 84. Divorce petition. 85. Divorce answer. 86. Divorce motion. 87. Divorce hearing. 88. Divorce trial. 89. Divorce verdict. 90. Divorce judgment. 91. Divorce decree. 92. Divorce certificate. 93. Divorce settlement. 94. Divorce agreement. 95. Divorce petition. 96. Divorce answer. 97. Divorce motion. 98. Divorce hearing. 99. Divorce trial. 100. Divorce verdict. 101. Divorce judgment. 102. Divorce decree. 103. Divorce certificate. 104. Divorce settlement. 105. Divorce agreement. 106. Divorce petition. 107. Divorce answer. 108. Divorce motion. 109. Divorce hearing. 110. Divorce trial. 111. Divorce verdict. 112. Divorce judgment. 113. Divorce decree. 114. Divorce certificate. 115. Divorce settlement. 116. Divorce agreement. 117. Divorce petition. 118. Divorce answer. 119. Divorce motion. 120. Divorce hearing. 121. Divorce trial. 122. Divorce verdict. 123. Divorce judgment. 124. Divorce decree. 125. Divorce certificate. 126. Divorce settlement. 127. Divorce agreement. 128. Divorce petition. 129. Divorce answer. 130. Divorce motion. 131. Divorce hearing. 132. Divorce trial. 133. Divorce verdict. 134. Divorce judgment. 135. Divorce decree. 136. Divorce certificate. 137. Divorce settlement. 138. Divorce agreement. 139. Divorce petition. 140. Divorce answer. 141. Divorce motion. 142. Divorce hearing. 143. Divorce trial. 144. Divorce verdict. 145. Divorce judgment. 146. Divorce decree. 147. Divorce certificate. 148. Divorce settlement. 149. Divorce agreement. 150. Divorce petition. 151. Divorce answer. 152. Divorce motion. 153. Divorce hearing. 154. Divorce trial. 155. Divorce verdict. 156. Divorce judgment. 157. Divorce decree. 158. Divorce certificate. 159. Divorce settlement. 160. Divorce agreement. 161. Divorce petition. 162. Divorce answer. 163. Divorce motion. 164. Divorce hearing. 165. Divorce trial. 166. Divorce verdict. 167. Divorce judgment. 168. Divorce decree. 169. Divorce certificate. 170. Divorce settlement. 171. Divorce agreement. 172. Divorce petition. 173. Divorce answer. 174. Divorce motion. 175. Divorce hearing. 176. Divorce trial. 177. Divorce verdict. 178. Divorce judgment. 179. Divorce decree. 180. Divorce certificate. 181. Divorce settlement. 182. Divorce agreement. 183. Divorce petition. 184. Divorce answer. 185. Divorce motion. 186. Divorce hearing. 187. Divorce trial. 188. Divorce verdict. 189. Divorce judgment. 190. Divorce decree. 191. Divorce certificate. 192. Divorce settlement. 193. Divorce agreement. 194. Divorce petition. 195. Divorce answer. 196. Divorce motion. 197. Divorce hearing. 198. Divorce trial. 199. Divorce verdict. 200. Divorce judgment. 201. Divorce decree. 202. Divorce certificate. 203. Divorce settlement. 204. Divorce agreement. 205. Divorce petition. 206. Divorce answer. 207. Divorce motion. 208. Divorce hearing. 209. Divorce trial. 210. Divorce verdict. 211. Divorce judgment. 212. Divorce decree. 213. Divorce certificate. 214. Divorce settlement. 215. Divorce agreement. 216. Divorce petition. 217. Divorce answer. 218. Divorce motion. 219. Divorce hearing. 220. Divorce trial. 221. Divorce verdict. 222. Divorce judgment. 223. Divorce decree. 224. Divorce certificate. 225. Divorce settlement. 226. Divorce agreement. 227. Divorce petition. 228. Divorce answer. 229. Divorce motion. 230. Divorce hearing. 231. Divorce trial. 232. Divorce verdict. 233. Divorce judgment. 234. Divorce decree. 235. Divorce certificate. 236. Divorce settlement. 237. Divorce agreement. 238. Divorce petition. 239. Divorce answer. 240. Divorce motion. 241. Divorce hearing. 242. Divorce trial. 243. Divorce verdict. 244. Divorce judgment. 245. Divorce decree. 246. Divorce certificate. 247. Divorce settlement. 248. Divorce agreement. 249. Divorce petition. 250. Divorce answer. 251. Divorce motion. 252. Divorce hearing. 253. Divorce trial. 254. Divorce verdict. 255. Divorce judgment. 256. Divorce decree. 257. Divorce certificate. 258. Divorce settlement. 259. Divorce agreement. 260. Divorce petition. 261. Divorce answer. 262. Divorce motion. 263. Divorce hearing. 264. Divorce trial. 265. Divorce verdict. 266. Divorce judgment. 267. Divorce decree. 268. Divorce certificate. 269. Divorce settlement. 270. Divorce agreement. 271. Divorce petition. 272. Divorce answer. 273. Divorce motion. 274. Divorce hearing. 275. Divorce trial. 276. Divorce verdict. 277. Divorce judgment. 278. Divorce decree. 279. Divorce certificate. 280. Divorce settlement. 281. Divorce agreement. 282. Divorce petition. 283. Divorce answer. 284. Divorce motion. 285. Divorce hearing. 286. Divorce trial. 287. Divorce verdict. 288. Divorce judgment. 289. Divorce decree. 290. Divorce certificate. 291. Divorce settlement. 292. Divorce agreement. 293. Divorce petition. 294. Divorce answer. 295. Divorce motion. 296. Divorce hearing. 297. Divorce trial. 298. Divorce verdict. 299. Divorce judgment. 300. Divorce decree. 301. Divorce certificate. 302. Divorce settlement. 303. Divorce agreement. 304. Divorce petition. 305. Divorce answer. 306. Divorce motion. 307. Divorce hearing. 308. Divorce trial. 309. Divorce verdict. 310. Divorce judgment. 311. Divorce decree. 312. Divorce certificate. 313. Divorce settlement. 314. Divorce agreement. 315. Divorce petition. 316. Divorce answer. 317. Divorce motion. 318. Divorce hearing. 319. Divorce trial. 320. Divorce verdict. 321. Divorce judgment. 322. Divorce decree. 323. Divorce certificate. 324. Divorce settlement. 325. Divorce agreement. 326. Divorce petition. 327. Divorce answer. 328. Divorce motion. 329. Divorce hearing. 330. Divorce trial. 331. Divorce verdict. 332. Divorce judgment. 333. Divorce decree. 334. Divorce certificate. 335. Divorce settlement. 336. Divorce agreement. 337. Divorce petition. 338. Divorce answer. 339. Divorce motion. 340. Divorce hearing. 341. Divorce trial. 342. Divorce verdict. 343. Divorce judgment. 344. Divorce decree. 345. Divorce certificate. 346. Divorce settlement. 347. Divorce agreement. 348. Divorce petition. 349. Divorce answer. 350. Divorce motion. 351. Divorce hearing. 352. Divorce trial. 353. Divorce verdict. 354. Divorce judgment. 355. Divorce decree. 356. Divorce certificate. 357. Divorce settlement. 358. Divorce agreement. 359. Divorce petition. 360. Divorce answer. 361. Divorce motion. 362. Divorce hearing. 363. Divorce trial. 364. Divorce verdict. 365. Divorce judgment. 366. Divorce decree. 367. Divorce certificate. 368. Divorce settlement. 369. Divorce agreement. 370. Divorce petition. 371. Divorce answer. 372. Divorce motion. 373. Divorce hearing. 374. Divorce trial. 375. Divorce verdict. 376. Divorce judgment. 377. Divorce decree. 378. Divorce certificate. 379. Divorce settlement. 380. Divorce agreement. 381. Divorce petition. 382. Divorce answer. 383. Divorce motion. 384. Divorce hearing. 385. Divorce trial. 386. Divorce verdict. 387. Divorce judgment. 388. Divorce decree. 389. Divorce certificate. 390. Divorce settlement. 391. Divorce agreement. 392. Divorce petition. 393. Divorce answer. 394. Divorce motion. 395. Divorce hearing. 396. Divorce trial. 397. Divorce verdict. 398. Divorce judgment. 399. Divorce decree. 400. Divorce certificate. 401. Divorce settlement. 402. Divorce agreement. 403. Divorce petition. 404. Divorce answer. 405. Divorce motion. 406. Divorce hearing. 407. Divorce trial. 408. Divorce verdict. 409. Divorce judgment. 410. Divorce decree. 411. Divorce certificate. 412. Divorce settlement. 413. Divorce agreement. 414. Divorce petition. 415. Divorce answer. 416. Divorce motion. 417. Divorce hearing. 418. Divorce trial. 419. Divorce verdict. 420. Divorce judgment. 421. Divorce decree. 422. Divorce certificate. 423. Divorce settlement. 424. Divorce agreement. 425. Divorce petition. 426. Divorce answer. 427. Divorce motion. 428. Divorce hearing. 429. Divorce trial. 430. Divorce verdict. 431. Divorce judgment. 432. Divorce decree. 433. Divorce certificate. 434. Divorce settlement. 435. Divorce agreement. 436. Divorce petition. 437. Divorce answer. 438. Divorce motion. 439. Divorce hearing. 440. Divorce trial. 441. Divorce verdict. 442. Divorce judgment. 443. Divorce decree. 444. Divorce certificate. 445. Divorce settlement. 446. Divorce agreement. 447. Divorce petition. 448. Divorce answer. 449. Divorce motion. 450. Divorce hearing. 451. Divorce trial. 452. Divorce verdict. 453. Divorce judgment. 454. Divorce decree. 455. Divorce certificate. 456. Divorce settlement. 457. Divorce agreement. 458. Divorce petition. 459. Divorce answer. 460. Divorce motion. 461. Divorce hearing. 462. Divorce trial. 463. Divorce verdict. 464. Divorce judgment. 465. Divorce decree. 466. Divorce certificate. 467. Divorce settlement. 468. Divorce agreement. 469. Divorce petition. 470. Divorce answer. 471. Divorce motion. 472. Divorce hearing. 473. Divorce trial. 474. Divorce verdict. 475. Divorce judgment. 476. Divorce decree. 477. Divorce certificate. 478. Divorce settlement. 479. Divorce agreement. 480. Divorce petition. 481. Divorce answer. 482. Divorce motion. 483. Divorce hearing. 484. Divorce trial. 485. Divorce verdict. 486. Divorce judgment. 487. Divorce decree. 488. Divorce certificate. 489. Divorce settlement. 490. Divorce agreement. 491. Divorce petition. 492. Divorce answer. 493. Divorce motion. 494. Divorce hearing. 495. Divorce trial. 496. Divorce verdict. 497. Divorce judgment. 498. Divorce decree. 499. Divorce certificate. 500. Divorce settlement. 501. Divorce agreement. 502. Divorce petition. 503. Divorce answer. 504. Divorce motion. 505. Divorce hearing. 506. Divorce trial. 507. Divorce verdict. 508. Divorce judgment. 509. Divorce decree. 510. Divorce certificate. 511. Divorce settlement. 512. Divorce agreement. 513. Divorce petition. 514. Divorce answer. 515. Divorce motion. 516. Divorce hearing. 517. Divorce trial. 518. Divorce verdict. 519. Divorce judgment. 520. Divorce decree. 521. Divorce certificate. 522. Divorce settlement. 523. Divorce agreement. 524. Divorce petition. 525. Divorce answer. 526. Divorce motion. 527. Divorce hearing. 528. Divorce trial. 529. Divorce verdict. 530. Divorce judgment. 531. Divorce decree. 532. Divorce certificate. 533. Divorce settlement. 534. Divorce agreement. 535. Divorce petition. 536. Divorce answer. 537. Divorce motion. 538. Divorce hearing. 539. Divorce trial. 540. Divorce verdict. 541. Divorce judgment. 542. Divorce decree. 543. Divorce certificate. 544. Divorce settlement. 545. Divorce agreement. 546. Divorce petition. 547. Divorce answer. 548. Divorce motion. 549. Divorce hearing. 550. Divorce trial. 551. Divorce verdict. 552. Divorce judgment. 553. Divorce decree. 554. Divorce certificate. 555. Divorce settlement. 556. Divorce agreement. 557. Divorce petition. 558. Divorce answer. 559. Divorce motion. 560. Divorce hearing. 561. Divorce trial. 562. Divorce verdict. 563. Divorce judgment. 564. Divorce decree. 565. Divorce certificate. 566. Divorce settlement. 567. Divorce agreement. 568. Divorce petition. 569. Divorce answer. 570. Divorce motion. 571. Divorce hearing. 572. Divorce trial. 573. Divorce verdict. 574. Divorce judgment. 575. Divorce decree. 576. Divorce certificate. 577. Divorce settlement. 578. Divorce agreement. 579. Divorce petition. 580. Divorce answer. 581. Divorce motion. 582. Divorce hearing. 583. Divorce trial. 584. Divorce verdict. 585. Divorce judgment. 586. Divorce decree. 587. Divorce certificate. 588. Divorce settlement. 589. Divorce agreement. 590. Divorce petition. 591. Divorce answer. 592. Divorce motion. 593. Divorce hearing. 594. Divorce trial. 595. Divorce verdict. 596. Divorce judgment. 597. Divorce decree. 598. Divorce certificate. 599. Divorce settlement. 600. Divorce agreement. 601. Divorce petition. 602. Divorce answer. 603. Divorce motion. 604. Divorce hearing. 605. Divorce trial. 606. Divorce verdict. 607. Divorce judgment. 608. Divorce decree. 609. Divorce certificate. 610. Divorce settlement. 611. Divorce agreement. 612. Divorce petition. 613. Divorce answer. 614. Divorce motion. 615. Divorce hearing. 616. Divorce trial. 617. Divorce verdict. 618. Divorce judgment. 619. Divorce decree. 620. Divorce certificate. 621. Divorce settlement. 622. Divorce agreement. 623. Divorce petition. 624. Divorce answer. 625. Divorce motion. 626. Divorce hearing. 627. Divorce trial. 628. Divorce verdict. 629. Divorce judgment. 630. Divorce decree. 631. Divorce certificate. 632. Divorce settlement. 633. Divorce agreement. 634. Divorce petition. 635. Divorce answer. 636. Divorce motion. 637. Divorce hearing. 638. Divorce trial. 639. Divorce verdict. 640. Divorce judgment. 641. Divorce decree. 642. Divorce certificate. 643. Divorce settlement. 644. Divorce agreement. 645. Divorce petition. 646. Divorce answer. 647. Divorce motion. 648. Divorce hearing. 649. Divorce trial. 650. Divorce verdict. 651. Divorce judgment. 652. Divorce decree. 653. Divorce certificate. 654. Divorce settlement. 655. Divorce agreement. 656. Divorce petition. 657. Divorce answer. 658. Divorce motion. 659. Divorce hearing. 660. Divorce trial. 661. Divorce verdict. 662. Divorce judgment. 663. Divorce decree. 664. Divorce certificate. 665. Divorce settlement. 666. Divorce agreement. 667. Divorce petition. 668. Divorce answer. 669. Divorce motion. 670. Divorce hearing. 671. Divorce trial. 672. Divorce verdict. 673. Divorce judgment. 674. Divorce decree. 675. Divorce certificate. 676. Divorce settlement. 677. Divorce agreement. 678. Divorce petition. 679. Divorce answer. 680. Divorce motion. 681. Divorce hearing. 682. Divorce trial. 683. Divorce verdict. 684. Divorce judgment. 685. Divorce decree. 686. Divorce certificate. 687. Divorce settlement. 688. Divorce agreement. 689. Divorce petition. 690. Divorce answer. 691. Divorce motion. 692. Divorce hearing. 693. Divorce trial. 694. Divorce verdict. 695. Divorce judgment. 696. Divorce decree. 697. Divorce certificate. 698. Divorce settlement. 699. Divorce agreement. 700. Divorce petition. 701. Divorce answer. 702. Divorce motion. 703. Divorce hearing. 704. Divorce trial. 705. Divorce verdict. 706. Divorce judgment. 707. Divorce decree. 708. Divorce certificate. 709. Divorce settlement. 710. Divorce agreement. 711. Divorce petition. 712. Divorce answer. 713. Divorce motion. 714. Divorce hearing. 715. Divorce trial. 716. Divorce verdict. 717. Divorce judgment. 718. Divorce decree. 719. Divorce certificate. 720. Divorce settlement. 721. Divorce agreement. 722. Divorce petition. 723. Divorce answer. 724. Divorce motion. 725. Divorce hearing. 726. Divorce trial. 727. Divorce verdict. 728. Divorce judgment. 729. Divorce decree. 730. Divorce certificate. 731. Divorce settlement. 732. Divorce agreement. 733. Divorce petition. 734. Divorce answer. 735. Divorce motion. 736. Divorce hearing.